



Daily Report

Latin America

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Friday
26 April 1991

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Nations Study Initiative, Make Recommendations

PA2504161091 Mexico City NOTIMEX in Spanish
0126 GMT 25 Apr 91

[Text] Caracas, 24 Apr (NOTIMEX)—The Initiative for the Americas is "a fundamental reference framework with the potential for establishing economic relations with the United States on more equitable grounds." 26 Latin American countries concluded here.

After meeting for three days, the member countries of the Latin American Economic System [SELA], assisted by representatives of the OAS, Economic Commission for Latin America, and the Inter-American Development Bank [IDB], agreed that the region must make its own contributions to the Bush initiative.

The meeting closed today with a report pointing out that the region should complete the initiative and correct the limitations on eligibility and stipulations that the U.S. Administration wants to impose.

The document recommends that the region reinforce the integration and local cooperation processes to strengthen its ability to negotiate with the United States and other countries.

Regarding trade, the report says that individual or multilateral negotiations with the United States should include an effective commitment to prevent a new protectionism and the application of unilateral reprisals.

The document also recommends relative reciprocity based on the various development levels among the region's countries. It was said that the solution to the

problems related to the access to regional export markets depends on the success of the Uruguay round of talks.

It was pointed out that the encouragement of investments in the area requires greater access to markets, particularly in the United States, a country that should make additional efforts to overcome the accrued investment deficit in the region.

Regarding foreign debt, the report underlined that the Bush initiative should include the commercial debt and the debt with international financial organizations and not only with the U.S. Government.

The document proposes that science and technology should be the fourth most important column of the Initiative for the Americas. On the environment, the report suggests that local government policies, instead of the marked support of the unofficial institutions, should be taken into consideration.

It was recommended that the SELA Permanent Secretariat should continue to evaluate the subject, both in the United States and the region, in cooperation with regional and subregional organizations, such as ALADI [Latin American Integration Association], IDB, CAF [Andean Development Corporation], Caricom [Caribbean Common Market], ECLA [Economic Commission for Latin America], GEPLACEA [Group of Latin American and Caribbean Sugar Exporting Countries], JUNAC [Cartagena Agreement Board], OAS, and OLADE [Latin American Energy Organization], among others.

The final report will be presented to the 18th SELA Latin American Council meeting, which is being attended by the member countries' foreign ministers.

Cuba

Havana Radio Notes Gorbachev's Resignation Offer

FL2504181591 Havana Radio Progreso Network
in Spanish 1625 GMT 25 Apr 91

[Text] Last minute reports indicate that the majority of the CPSU Central Committee rejected a debate on General Secretary Mikhail Gorbachev's possible resignation. Gorbachev said during today's session that he was willing to resign to the post of general secretary because he was tired of the endless criticism of him.

At the same time, more work centers in various republics announced stoppages and protests. The workers are making economic demands and are asking for the resignation of President Gorbachev and the USSR Government cabinet.

The introduction of a special economic system was supported during today's CPSU Plenum. (Yuriy Blogin), leader of the Soyuz parliamentary group, noted that other delegates criticized the anti-crisis program submitted by the central government because they believe it is against the citizens' interests. The bill provides for the speeding up of the reforms leading to a market economy, stabilization, and the broadening of activities of private enterprises in the USSR.

'Distant Relative' of Castro Requests Asylum

PA2504134791 Madrid EFE in Spanish 0912 GMT
25 Apr 91

[Text] Madrid, 25 Apr (EFE)—A distant relative of Cuban President Fidel Castro requested political asylum in Spain last week, although she plans to establish residence in Miami (Florida, United States), the ABC newspaper of Madrid reported today. Marta Maria Andalia, daughter of one of Castro's first cousins, took advantage of a stopover in Spain during a trip which will end in the United States, in light of the facilities given by Spain to requests for asylum.

The young girl belongs to one of Fidel Castro's distant family branches, opposed to his regime, which is why it did not maintain frequent contacts with him.

Marta Maria, who is currently staying in the home of some relatives near Madrid, left Cuba with an exit permit and with a visa to enter the United States, according to the Spanish newspaper. The young Cuban also had an unspecified amount of U.S. dollars to cover her initial expenses in her country of destination. She plans to leave for Miami as soon as the processing of her asylum request is completed.

Raul Castro at Turquino, Manati Plans Meeting

FL2404113091 Havana Tele Rebelde and Cuba
Vision Network in Spanish 0000 GMT 24 Apr 91

[Report by Mauri Rodriguez]

[Text] The positive results of the Turquino and Manati Plans in the eastern region and mountainous provinces

during the 1988-90 period have been assessed during a meeting presided over by Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba Central Committee and minister of the Revolutionary Armed Forces [FAR]. The meeting was also attended by the first secretaries of the party in the mountainous provinces of the country and other state leaders.

The current situation and the development programs in the mountains in Santiago de Cuba, Granma, Guantanamo, Holguin, and the Turquino Plan in general were discussed. The vital importance of the practical and consistent application of scientific research for the realization of the proposed tasks was highlighted by the FAR minister. He specifically referred to this aspect: to increase the current yields of coffee per caballeria.

Speaking of research, Raul characterized as highly positive the coordination level reached by the various scientific institutions and how they respond to the development strategy of the country. It was also analyzed that in spite of these results, the constant training of agricultural engineers, technicians, and workers of the basic production units is the main element in strengthening development projects.

The management of scientific research in the mountains for 1991-1995 and the studies in the eastern region on the food program as well as the work, development, and plans of the reforestation plan through the Manati Plan were other topics discussed.

The broad working agenda included other subjects such as the results of social and geographic research, maximization of the main fertilization of coffee plantations and conditions that influence migration in mountainous areas. The important role the settlers of the new Sierra communities in the boosting of coffee development programs was also noted. The establishment of internal discipline in the social and productive area achieved by the residents through communal councils was emphasized.

The first secretaries of the party in the municipalities of Santiago de Cuba, Guantanamo, Granma, and Holguin; and Dr. Rosa Elena Simeon, president of the Cuban Academy of Sciences, attended the meeting. The final remarks were made by Comrade Julian Rizo Alvarez, alternate member of the Politburo.

Carlos Aldana on Supply Shortages, Measures

FL2504201091 Havana Tele Rebelde Network
in Spanish 1700 GMT 25 Apr 91

[Text] The UNEAC [National Union of Cuban Writers and Artists] national council was held yesterday in the Karl Marx Theater in Havana. Comrade Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, contributed his presence and words to the meeting. His first subject was the necessity for Cuban intellectuals to join the national efforts to get through this special period. He also pointed out how clear, concrete, and sincere the artistic reflection of Cuban

reality must be. He also made detailed reference to the economic limitation the country faces and the national efforts to find solutions.

[Begin Aldana recording] Due to the fact that we were creating a certain mentality.... [changes thought] All of a sudden we found out we had a signed contract that was useless, and that the possibility of receiving paper during all of 1991 is close to zero. We then had to make the decision to expand our reserves and apply new restrictions so that we can guarantee the supply for 1991 and 1992 from the same amount. That is what we have done. These measures taken afterwards, which have reduced print runs even more and included the provincial press, which at first had been spared, have been specifically implemented for that purpose. So we may, with the paper available in the country, guarantee the supply for 1991 and 1992 with the publications, periodicity, and their print runs as currently planned. I have concentrated on this example because it illustrates the situation and is a subject near to all of us.

We can talk about acceptable results regarding contracts signed for fuel. They benefit from the fact that these are usually triangular operations in which other countries take part, sometimes countries from our region. This facilitates the shipping process and has allowed for some stability. The total amounts are well below previous consumption levels and to some extent below our requirements because the rationalization, efficiency, and conservation measures being applied in the last few months have in fact modified our requirement criteria. We are discovering that with much less than what we are used to, we can maintain the fundamental activities vital to the economy and society. [end recording]

Sixto Batista Meets Matanzas Antiaircraft Units

FL2404135091 Havana Tele Rebelde Network
in Spanish 1100 GMT 24 Apr 91

[Text] Sixto Batista Santana, alternate Politburo member and national coordinator of the Committees for the Defense of the Revolution [CDR], has held a meeting with soldiers of the Matanzas antiaircraft troops during his two-day visit in that area. He talked about the process to improve the methods and work styles of the CDR, the national campaign against delinquency, and the role of the Revolutionary Armed Forces in the present situation.

Division General Sixto Batista called upon the soldiers to increase military discipline and training, to maintain a permanent attitude of victory over enemies in the air, and to earn the right of being the first ones to face any attack made against our country.

Camacho, Others Greet Troops Returning From Angola

FL2504130091 Havana Tele Rebelde Network
in Spanish 1100 GMT 25 Apr 91

[Text] Another group of internationalist soldiers returned to our country from Angola early this morning

after accomplishing with honors their assigned mission. They were greeted at the airport by Julio Camacho Aguilera, member of the Communist Party of Cuba Politburo, Brigadier General Rolando Kindelan Bles from the Revolutionary Armed Forces, Colonel Xiomara Contreras from the Minint [Interior Ministry], and representatives of mass and political organizations.

Ernesto Suarez, member of the National Assembly of the People's Government, welcomed the troops and informed them of the pride the whole country feels for the heroic actions of our internationalist troops in Angola.

Yemeni Health Minister at Cooperation Meeting

FL2404145591 Havana Tele Rebelde Network
in Spanish 1100 GMT 24 Apr 91

[Text] A delegation from the Republic of Yemen, headed by Public Health Minister Muhammad 'Ali Muqbil, is in our country to attend the 11th session of the joint Cuban-Yemeni intergovernmental commission.

[Begin Muqbil recording in Arabic with simultaneous Spanish translation] This visit is paid within the framework of joint cooperation between our countries and people. We hope to exchange some aspects of economic and service cooperation with our Cuban friends. We will work hard toward reaching some agreements and signing them. [end recording]

Yemen's public health minister was greeted at the Jose Marti International Airport by Jose Fernandez Cuervo [name as heard], Cuban minister of the fishing industry. He was also welcomed by (Muhammad 'Abd al-Raman), Yemen's ambassador to Cuba; and Professor Rodrigo Alvarez Cambra, director of the Frank Pais Orthopedic Hospital.

Convicted Murderer Executed by Firing Squad

FL2504132691 Havana Tele Rebelde Network
in Spanish 1100 GMT 25 Apr 91

[Text] The death sentence by firing squad issued against 45-year-old Juan David Milanes Negrin has been carried out after he was tried for the murders of two elderly citizens in Camaguey City. The accused sadistically murdered a couple to steal their personal belongings. The couple resided in the Beneficiencia neighborhood in Camaguey. It was shown during the trial that the accused man was extremely dangerous. He had a criminal record of sexual abuse of a girl, theft, and illegal slaughtering of cattle.

Haiti

MPNKP Denounces Plot Against Government

FL2504210691 Port-au-Prince Radio Nationale
in Creole 1300 GMT 25 Apr 91

[Text] The Papaye Congress National Peasants Movement [MPNKP] has denounced a plot to destabilize the

avalanche government. According to the MPNKP, the forces opposed to change have sent agents throughout the country to spread rumors that the Aristide government will fall in less than three months. The movement questions the roles played by nongovernmental organizations and (AID) among the peasants when they claim that projects are being developed to overthrow Titide [Aristide]. The MPNKP asks the prime minister for information on aid promised to Haiti this year by the U.S. Government.

It asserts that Macoutes and other former candidates are meeting throughout the country to plan a coup, and that the Hyppolite Market fire was set to incite the people against the government.

The MPNKP questions the motives of the senators. Is it, for example, for the people's benefit that they meet in the Chamber while asking for 30,000 gourdes [\$6,000] in salary and cars to drive around in?

The MPNKP criticizes political leaders who are asking for the resignation of the government after only two months in office. The MPNKP asserts that it will keep supporting the government unless it becomes clear that the government has betrayed the people. It asks that the government work to satisfy the demands of the population. The movement also asks that the population reject all evildoers who infiltrate the popular organizations and demonstrations, and denounce all those who are spreading false rumors in the country.

KODEN Calls For Resignations of Six Ministers

FL2404220091 Port-au-Prince Radio Nationale in Creole 1300 GMT 24 Apr 91

[Excerpt] [passage omitted] A news conference was held today by KODEN, the Committee for the Defense of National Interests [Komite Pou Defans Entere Nasyonal], on the premises of CGT [General Central of Workers] on Rue du Peuple to assess the first two months of the Aristide-Preval government. According to the speakers, most of the ministers do not really meet the people's demands, as the high cost of living troubles people all over the country. The speakers think that several of these ministers should resign from the Aristide government so it can work better.

[Begin unidentified speaker recording] The commerce minister, the planning minister, the minister of national education, the minister of foreign affairs, the minister of finance, the minister of public health [should resign]. [end recording]

The speakers think it is time that those who work should enjoy the fruit of their work. The people who voted in the election must get satisfaction. At the conference table were Andre Nelson, secretary general; Saurel Beausejour, information secretary; and Wilton Jouissance, counselor.

Deputy Fires Plaine de l'Arbre CASEC Coalition

FL2604014091 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 24 Apr 91

[Text] In Gonaives, 152 km north of Port-au-Prince, Deputy Bellissier Geffrad of the Terre-Neuve District, in Anse Rouge, dispersed the Plaine de l'Arbre CASEC [Communal Section Administrative Council] coalition and replaced it with another coalition. The dismissed CASEC complained to the Chamber of Deputies. Here are details from our Gonaives correspondent.

[Begin correspondent recording] The ANDP [National Alliance for Democracy and Progress] CASEC coalition in Plaine de l'Arbre, first communal section of Anse Rouge, comprised of Serilien Ersine, Omilien Metayer, and [first name indistinct] Mesadieux, wrote to the president of the Chamber of Deputies, Ernst Pedro Casaus, to demand that Deputy Bellissier Geffrad be called to order for firing them without respecting the Constitution, and replacing them with a new coalition made up of Fritznel Metayer, Rony Metayer, and Emilien Telismond, his acolytes.

According to the letter, Deputy Bellissier Geffrad pressured several citizens, such as the director of the National School of Plaine de l'Arbre, Mr. Manard Sesalien, so that his decision would be approved during a meeting. The dismissed CASEC members are asking the president of the Chamber of Deputies to send a delegation of Parliament members for clarification on the matter. [end recording]

26 Apr Voted National Day Against Repression

FL2504214691 Port-au-Prince Radio Nationale in Creole 1300 GMT 25 Apr 91

[Excerpts] [passage omitted] Twenty-four hours after Prime Minister Rene Preval presented four bills in the legislature, the deputies of the 45th legislature at 0355 unanimously approved the bill that establishes 26 April as an annual holiday, in accordance with procedures established by the 1987 Constitution. It was after much debate that this bill was voted in. [passage omitted]

This law has been voted for by the deputies. They will now send this new law to the senators, who will also give their opinion on this law that establishes 26 April as the date of the Day for Struggle Against Repression, a law that requires that the press, the schools, and all other educational institutions organize events to teach people to respect other people's rights. [passage omitted]

Netherlands Antilles

Netherlands Asks Islands To Submit Proposals

FL2304164591 Bridgetown CANA in English 1602 GMT 23 Apr 91

[Text] Philipsburg, St. Maarten, April 23. CANA—The Dutch Government has put on hold a report on the

constitutional restructuring of the Netherlands Antilles and has asked the five islands—Saba, St. Eustatius, St. Maarten, Bonaire, and Curacao—to put forward their separate positions on constitutional advancement, according to media reports here. The decision came a week after island council elections in the five islands to choose new governments expected to assume office in July.

But Rufus Mc William, president of the Federal Parliament in Curacao and secretary general of the largest single party there, said the political parties will maintain their agreed position to go it alone within the Dutch kingdom.

A white paper prepared by Dutch Minister for Antillean and Aruban Affairs Hirsch Ballin last year proposed the division of the Netherlands Antilles into two entities: one consisting of St. Maarten, Saba, and St. Eustatius with Bonaire and Curacao making up the other.

Last week the decision was taken in The Hague, the Dutch capital, to place on the back burner the Hirsch Ballin proposals and ask the five islands to submit separate proposals for constitutional reform while efforts are made to improve the local government machinery in the smaller islands. Ballin is also scheduling a working conference later this year at which representatives from Aruba and the Netherlands Antilles will attend.

Aruba which has a separate status (semi-independent) within the Dutch kingdom with a date set and included in its new Constitution for complete independence from the Netherlands on January 3, 1996, has changed its mind about going it alone and has been asking Holland to quash its independence date.

The report said Ballin whose proposals have met stiff opposition both in the Dutch Parliament and in the Netherlands Antilles, was not suspending his proposals but merely giving the islands a chance to come up with their own. The report said Ballin was of the view that if the five islands want to stay together, they will have to come to terms with each other. If they are not staying in the Antilles of Five, they should take the initiative.

It has also been disclosed that a Dutch mission is to visit the islands to hold discussions with the executive and island council. The visit follows a similar one by a joint delegation of members from the Aruban, Dutch, and Netherlands Antilles Parliaments which visited earlier this year.

St. Vincent and the Grenadines

Governor General Receives Instrument of Office

FL2504182591 Bridgetown CANA in English
1707 GMT 25 Apr 91

[Text] Kingstown, St. Vincent, April 25, CANA—St. Vincent and the Grenadines Governor-General David Jack has received his instruments of office from Queen Elizabeth II, confirming his appointment to the post, the government information service said. As governor-general, Jack, a 72-year-old former parliamentarian, serves as the representative of the British monarch, who is the constitutional head of state here.

Jack assumed the largely ceremonial office in 1989 following general elections here. The instruments confer on Jack the title of Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George (KCMG) and make him a member of the Most Excellent Order of the British Empire (MBE). The instruments were handed over to the governor-general by Prime Minister James Mitchell at a ceremony Wednesday. Jack is expected to travel to London in July to be knighted.

Turks and Caicos

Former Legislators Claim Election 'Irregularities'

FL2404230091 Bridgetown CANA in English
1956 GMT 24 Apr 91

[Text] Grand Turk, Turks and Caicos Islands, April 24, CANA—Three former members of the Turks and Caicos Legislative Assembly have petitioned the court for a recount of the North and Middle Caicos constituency, claiming "irregularities" in the April 3 election here.

Llewelyn Handfield, Samuel Harvey, and Christopher Forbes are members of the People's Democratic Movement (PDM) which was swept from office in an eight-seat-to-five victory by the Progressive National Party (PNP).

According to a PDM statement, April 29 is hearing date for the petition. It pleads that votes were counted by the light of kerosene lamps during an extended power cut; final margins were as close as 40 votes; the official and unofficial counts varied substantially; the count was prolonged, in noisy conditions, and in the presence of unauthorised persons; and the returning officer denied a candidate's request for a recount.

The PDM said it believes it won two of the three seats in the constituency awarded to the PNP, and therefore won the government.

"We invite the international political observers to take a keen interest in this case, for the voters of these islands can never be content until this question is determined to their satisfaction," the party said.

El Salvador**Coprefa: Rebels Not Responsible for Chopper Crash**

PA2504202791 San Salvador Radio Cadena YSU
in Spanish 1725 GMT 25 Apr 91

[Text] A Salvadoran Air Force helicopter went down this morning over Lake Suchitlan, according to Air Force Commander General Rafael Villamariona. The accident took place at 1415 when a UH-1H helicopter was returning to the capital after leaving troops in northern Chalatenango. According to the report, the accident occurred as the helicopter was flying over Lake Suchitlan, between the Cuscatlan and Chalatenango Departments.

It was officially reported that two artillery soldiers were rescued by fishermen who were on Lake Suchitlan with their small boats at the time. The other two crew members, who are officers, are still missing because the aircraft went under water. According to the report, Second Lieutenants Jose Alvaro Paredes Alvarez and Freddy [name indistinct] Diaz, the pilot and co-pilot, are missing.

The Coprefa [Armed Forces Press Committee] has ruled out that the accident was due to sabotage by the Farabundo Marti National Liberation Front rebels.

Second Chopper Downed

PA2604042291 San Salvador Canal Doce Television
in Spanish 0319 GMT 26 Apr 91

[Text] Four Air Force pilots died this morning when the helicopters in which they were traveling plunged into Lake Suchitlan, in southern Chalatenango Department.

Coprefa [Armed Forces Press Committee] reported that Sublieutenants Jose Alvaro Paredes and Freddy Alan Mejia died when the helicopter they were flying suffered a mechanical failure, falling into Suchitlan Lake at approximately 0930. It was also learned that two soldiers who were traveling in the same aircraft were rescued by fishermen who took them to the hospital in Chalatenango.

Meanwhile, a second helicopter plunged into the same lake at 1100, killing pilots Lieutenant Rolando Antonio Nunez and Sublieutenant Jose Roberto Aguilar, whose bodies have been recovered.

The bodies of the pilots of the first helicopter are still under water. Coprefa said that divers have been sent to the site of the accident to rescue the bodies of Paredes and Alan.

Coprefa also reported that five guerrillas were killed and two wounded during clashes yesterday in Morazan and San Miguel Departments.

[Paris AFP in Spanish at 0250 GMT on 26 April reports that "according to an official report, the second helicopter crashed two hours after the first due to a mechanical failure in the aircraft's engine, based on what the pilots told the control tower moments before falling into the water."]

Government-Rebel Peace Talks Continue in Mexico**FMLN Commanders Comment**

PA2404211491 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0000 GMT 22 Apr 91

[Passages within quotation marks are recorded]

[Text] The negotiations between the Farabundo Marti National Liberation Front [FMLN] and the Salvadoran Government are coming to an end. Meanwhile, the international community is pressuring President Alfredo Cristiani's government to be more flexible in its position at the negotiating table and to reach agreements aimed at obtaining peace. In our country and abroad, members of the FMLN have voiced their opinions regarding this matter. In Usulután, Commander (Roger Blandio Nerio) charged that the Armed Forces launched military operations in the area north of Santiago de Maria at a time when the FMLN and the government are sitting at the negotiating table. (Blandio Nerio) said that the agreements reached at the negotiating table should be viewed seriously and responsibly by both parties.

[(Blandio Nerio)] "I would like to say that we view the agreements that could be reached at the negotiating table seriously and responsibly. If a cease-fire is achieved, the agreements must be shared and respected by the two parties. Other agreements [words indistinct], not within the framework of a cease-fire or for implementation after the cease-fire, would mean that the state of war will continue, that the war will continue, and that the military activity will continue as long as there is not a cease-fire agreement. We are determined to respect all agreements made at the negotiating table. We are willing to respect the agreements and their contents."

Meanwhile, Commander Nidia Diaz said that during the first round of talks, which ended on 13 April, the two parties agreed that the negotiations were making good progress. During the second round of talks that began on 15 April, however, the government retracted on its position. Commander Diaz, member of the FMLN political-diplomatic committee, said last night that the crisis among the ruling sectors has been transferred to the negotiating table.

[Diaz] "Following a 72-hour interval between the two rounds of talks, the government representatives returned from San Salvador retracting the position they expressed a week earlier. In other words, the crisis among the ruling sectors has been transferred to the negotiating table. The views of the minority in the country, the oligarchy, now prevail. That minority sector is the same one that closed

the doors to a political understanding 10 or 11 years ago, and caused the outbreak of war in El Salvador."

Commander Diaz added that on the issue of the Constitution, the government refuses to reach important agreements on changes in the Armed Forces, the judicial branch, the electoral system, and other matters that would give the Legislative Assembly more power. Above all, the government refuses to reach an agreement on Article 105 of the Constitution regarding agrarian reform.

Commander Diaz added that the government also opposes all mechanisms for people's participation and consultation, which could be the fundamental basis for true democratization. Regarding the Armed Forces, the FMLN diplomat said that progress has been achieved in the talks over the past year but that, at the key moment when agreements are about to be attained, there is strong opposition from Armed Forces officers, an opposition reflected at the negotiating table.

[Diaz] "Progress has been made over the past year during talks with the Armed Forces. When the time comes during the negotiations that agreements are about to be reached on mechanisms and criteria for purging, there is very strong opposition from officers in the country's interior, an opposition that is reflected at the negotiating table. This complicates things. In addition, the cease-fire, the model of which will be applied in El Salvador and is based on the recognition of two powers and two armies, implies more than the separation of the two military forces. It is also a technical and political problem. It is the discussion and approval of mechanisms that will make the FMLN's participation and incorporation into society possible after their place, as well as their bases for participation and opportunity within society, is guaranteed through political agreements. [Words indistinct] all that is being debated at the negotiating table aims to, as the negotiating schedule indicates, of attaining democracy and ending the conflict through political action. Attaining democracy means the dislodging of all those who limit, instill fear in, and intimidate the people, as the military dictatorship has done so far."

Based on this, Commander Diaz said that the negotiations have currently reached a crisis point, a crisis point that might be overcome. Either accords are reached on the Constitution or the negotiations will stagnate, allowing the officers who refuse to negotiate to prevail. Summing up, it can be said that the government and the Armed Forces are not willing to yield one inch at the negotiating table, thus ignoring the Salvadoran people's desire for peace. The FMLN, on the contrary, has shown complete flexibility at the negotiating table with concrete proposals, such as the one presented in March to European and Latin American foreign ministers in Managua, a proposal still being debated. Within the framework of this initiative, the FMLN has proposed an end to the armed struggle no later than the end of May. For this reason, everything depends on the government's stand.

In addition, Commander Mercedes del Carmen Letona desires to open space for a direct and participatory democracy through the political process of a direct consultation with the people. The government, however, refuses to accept the possibility of [words indistinct] in the Legislative Assembly.

[Letona] "We have noticed that the government absolutely does not want any changes. Therefore, we can say that the government delegation is not only against reforming Article 248 and accepting a temporary mechanism to reform the Constitution while the negotiation process continues, but it is also denying certain aspects of specific reforms that provide political opportunities that would give Salvadoran society increased guarantees of its participation in the political struggle during an armed peace under cease-fire conditions. What were those aspects? Changes in the judicial system, changes in the composition of the Supreme Court so as to establish one of the bases that will say to all Salvadorans that impunity to murder the political opposition will not continue to exist."

With respect to the issue of territoriality, Commander Mercedes del Carmen Letona said that the government wants to defeat the FMLN during the cease-fire negotiations. In other words, what they have not been able to do on the battlefield they want to achieve during the negotiation process stating that the FMLN must settle in small areas where there is no civilian population.

[Letona] "They have plans to make us silence Radio Venceremos and Radio Farabundo Marti. That is a warning from these people in the government that they want to defeat us by way of the cease-fire negotiations. What we are stating is that the cease-fire, from the military point of view, must reflect the situation of both armies. What does this mean? That we must both stay where we are. Anyone in the country who wants to see us, sees us. For example, we are in the San Salvador volcano, everyone knows that. We are on the outskirts of San Salvador, everyone knows that. Such zones must continue to be zones where our presence will be reflected. It is impossible that by virtue of the cease-fire negotiation they think they can pretend to expel us from those places where they could not expel us militarily. We are not asking that they give us any advantages, but merely that they acknowledge the situation just as it is. It would be very difficult to make a positive forecast of these talks. It is very difficult to do since it is quite evident that for now the military High Command is running the country. It is ANEP [National Association of Private Enterprise], the ladies of the Crusade for Peace and Work, and the Women's Front who have come out against Article 248 and any temporary mechanisms. It seems that the government and Mr. Cristiani are not governing the country. Let us hope that this will change because the FMLN is willing to find an alternative that allows the negotiations to remain open. If they resist any temporary mechanism to reform the Constitution, we will simply continue talking and making agreements at the negotiating table that will never be implemented because they

will violate the Constitution. We do not want that to happen and we are noticing that the government is betting on three more years of war, and we do not want that to happen. We have enough strength but we want to use our power to build up peace [words indistinct].

"We continue looking for alternatives so that this meeting may leave open the negotiating possibilities, which may in turn allow us to break the stubborn position the government has maintained until now. Let us wait a couple of days and see what will happen."

On the other hand, Commander Shafik Jorge Handal said that the most stubborn sectors of the government oppose constitutional reforms and they continue to lie to the people by way of the media.

[Handal] "They have devoted themselves to lying to the people through the media which they control. They have been saying that what we seek to do is establish communism in El Salvador through constitutional reform. That is ridiculous. [Words indistinct] there is still a temporary method of reforming the Constitution linked to this negotiation opportunity that will allow that while the talks are still continuing. The possibility of reforming the Constitution still remains. It is not exactly to reform Article 248 but rather to open a state of exception. The Constitution establishes the possibility of a state of siege, a state of exception, when there are very strong tensions. Then we ask: Why can there not be a state of tension to solve those tensions? It is needed precisely to reconcile the country, to lay the foundation for peace. That is what we propose."

Leftists Reject Reform Proposal

PA2404163591 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 24 Apr 91

[Text] The leftist parties of El Salvador have rejected the new constitutional reform proposal that the Salvadoran Congress has presented to the Salvadoran Government and guerrillas during the peace talks under way in Mexico since 4 April under UN mediation.

Cornelio Acorta, leader of the leftist Popular Social Christian Movement [MPSC], has said that the new proposal was drafted behind the back of the people and their organizations by the deputies of the four parties represented in the Legislative Assembly.

Juan Jose Martel, another MPSC leader, has charged that the document drafted by the Legislative Assembly deputies is aimed at forcing the Farabundo Marti National Liberation Front [FMLN] into accepting the government's proposal. The government's proposal was presented during the talks currently being held with the FMLN and has not been made public.

Martel said: The parties in the Legislative Assembly are trying to exert pressure on one of the parties to favor the government. They have presented nothing but superficial reforms that are even less substantial than those presented by the government, Martel charged.

Document Outlines Rebels' Goals

PA2404181591 San Salvador EL DIARIO DE HOY in Spanish 20 Apr 91 p 5

[Text] Chalatenango—According to a document recently seized by the Army, two goals of the delegation representing the communist groups at the talks in Mexico are to achieve legitimacy for the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] and to exert pressure on the government to cede territory to the guerrillas.

The document, which has circulated among the subversive leaders, outlines the FMLN-FDR's strategy at the negotiating table and states that the following tenets of the commission must prevail: "a policy of the masses, consensus, discussion, and contributions."

Regarding the cease-fire, the FMLN-FDR document states that one priority is to achieve "institutional status" and the right to territories. It notes that "the United Nations has the impression that no force has absolute control;" therefore, "it is necessary to struggle and obtain legal means of communication: a television channel, newspapers, and other media outlets."

The document adds that it is also necessary to "win opportunities at the negotiating table for the masses to wage their struggle in the streets."

The document also recommends the "establishment of a broad movement to oppose the current government and to struggle by every means possible against the ruling party. Everyone against Arena [Nationalist Republican Alliance] should be the slogan," it states.

In addition, the document adds that the military offensive should continue so as to wear down the Army and have an impact on international public opinion.

The groups, called "fronts," are encouraged to stage ambushes, while the document calls for political efforts to be directed at publicizing the negotiations. In addition, the cease-fire and its purpose should be publicized in an effort to win over the people and exert pressure to weaken the government's position.

FMLN Commander on Talks

PA2504165891 San Salvador Canal Doce Television in Spanish 0300 GMT 25 Apr 91

[Telephone interview with Farabundo Marti National Liberation Front (FMLN) Commander Jorge Shafik Handal by reporter Antonio Mineros, in Mexico City—live]

[Text] [Mineros] Good evening. It is 2105 in Mexico City. The second plenary meeting between the Salvadoran Government and the FMLN concluded a few minutes ago. Commander Shafik Handal has said that positions were being made known and agreements were being sought at this time of night. He said this is the time to make progress.

Today there were Salvadoran newspaper and radio reports according to which the FMLN General Command has rejected political parties proposals or reforms to the Constitution. We now ask Commander Shafik Handal: Is this a rejection of the political parties' proposal to reform the Constitution, Commander?

[Handal] Not exactly. The parties came here with a document and met with us and with the government and UN delegates. They told us that theirs was not a take-it or leave-it document and that they wanted to talk with us and see if there was any possibility of having their points of view incorporated into the talks. We viewed this position positively, and that is why we worked with them. We explained our position to them and told them that we were surprised to see that their document contained exactly what the government was proposing and that we did not know whether or not they knew this. The document that the parties brought was not only a repeat of positions the government had been maintaining at the negotiating table; it was also a repeat of the sentences used by the government, word for word, comma for comma. Most of the parties' representatives were surprised to hear this. They said that when the document was presented to them to reach an agreement, they were not told that it contained the position the government has been upholding here.

[Mineros] Commander Handal, is the FMLN maintaining this position, or is there a possibility of FMLN flexibility?

[Handal] Let me explain. I have not finished. They told us: We are open to discussions. The opposition parties, especially, told us that. We went to work on that basis. They also worked with the government delegation.

At the end, it looked as if the parties had secured some concessions from the government and an approximation to the positions we have been sustaining had been made. The government delegation told them that it was prepared to eliminate from the Constitution the prerogatives that the Armed Forces now have and that have turned that institution into a supragovernment. There are constitutional prerogatives according to which the Armed Forces are in charge of watching for and protecting: the Constitution, the application of the law, peace, human rights, national security, serenity, and public order. The government delegation told the parties that it was prepared to cut those prerogatives down to the defense of national sovereignty, the country's territorial integrity, the principle of alternating presidencies, and peace.

This proposition was not really satisfactory because the peace the government delegation was referring to was not peace with other states, but public order. The issue of peace with other states is covered by the defense-of-sovereignty prerogative. Public order is a police matter. It is understood that there must be a separation between the Armed Forces and the police, that the police must be a civil institution, and that it is the police who

must guarantee public order and peace. Nevertheless, this stand of the government represented progress.

We told the parties that their effort had been positive. However, we also told them that we could not endorse the proposals they could present at the Legislative Assembly because we, within the framework of the ongoing negotiations and the Geneva and Caracas agreements, view them as insufficient. But we told them that we could not fail to note that their position included positive elements. The parties left, knowing of this FMLN position.

To our surprise, today, when we engaged in direct negotiations with the government and when the discussions touched the Armed Forces' prerogatives issue, the government stubbornly defended the position of the Armed Forces maintaining all the prerogatives that make that institution a supragovernment and that essentially serve to institutionalize the military dictatorship in the country.

[Mineros] We want to thank....

[Handal, interrupting] The prerogatives. The Armed Forces must be a tool of civilian authority, subordinated to public authority. The judicial branch, the legislative branch, and the executive branch are public authorities. They are the ones who must make decisions, in accordance with their responsibilities, on these issues concerning the constitution, laws, peace, etc. Public order is a matter in the realm of the responsibilities of a civil police organization that we want to create. The Armed Forces are responsible for national sovereignty, territorial integrity, and everything that the public authorities, in line with their duties, may assign to them.

[Mineros] We want to thank Commander Handal for this live interview from Mexico during which he has commented on the progress or lack of progress during the negotiations in Mexico.

Chavez Mena Cited on Talks

P12504192391 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 25 Apr 91

[Text] Mexico City—Fidel Chavez Mena, former candidate for president of El Salvador and former foreign minister, has said in Mexico that the peace talks between the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] guerrillas are advancing toward an agreement.

In statements to the press, Chavez Mena, a leader of the Christian Democratic Party, said that the presence of various representatives of Salvadoran political parties at the meeting in Mexico has strengthened the peace process.

Since 4 April, delegates from the FMLN and the government headed by Alfredo Cristiani have been meeting in Mexico in search of peace in the Central American nation, which has been engulfed in a civil war since 1979.

Chavez Mena said that representatives of his country's political parties presented to the guerrillas and the Salvadoran Government a group of approximately 25 articles which, he said, we feel have to be amended. We have had various meetings with the FMLN and government representatives and have included the proposals of both sides in this document, Chavez Mena said. He indicated that the document will be presented in El Salvador tomorrow and should be approved by Monday, at the latest. He said that the political parties pledged to incorporate into the document any new agreements that are reached in the peace talks.

Chavez Mena said that in the area of judicial reform, an agreement had been reached on basic as well as electoral subjects, and that an 80 to 90 percent agreement had been reached on the Armed Forces.

Chavez Mena described as crude and emotional the Salvadoran right wing's charge that the presence of the political parties at the peace negotiations between the guerrillas and the government constitutes treason. Expanding on this, Chavez Mena said this could not be called treason because the Salvadoran legislators have done nothing behind the people's backs, as his country's extreme right wing has itself acknowledged.

Chavez Mena also said that the FMLN adopted a flexible position because the political parties and the guerrillas discussed the topics of negotiation point by point.

Alvaro de Soto, personal representative of his compatriot UN Secretary General Javier Perez de Cuellar at the peace talks, said that in the next few days it will be difficult to think about a cease-fire. He said that the peace talks could probably be speeded up, although the primary objective at this time is constitutional reform.

Chavez Mena remarked that the talks could be extended by two or three days, although, he said, I would like to believe that both the FMLN and the Salvadoran Government want peace.

For her part, rebel commander Nidia Diaz said that any new agreements that might be reached at the negotiating table will depend on the political commitment of the Cristiani administration because the extreme right wing position is prevailing at the meeting. She added that progress has been made on certain points and the foundations for future negotiations between the guerrillas and the Salvadoran Government have been set. She added that the FMLN wants to believe that the peace negotiations are fated to be favorable.

Constitutional Changes Detailed

PA2504234391 San Salvador Canal Doce Television
in Spanish 0300 GMT 25 Apr 91

[Marco Antonio Guevara report]

[Text] The constitutional reform package that Salvadoran political parties have presented to the Salvadoran

Government and the Farabundo Marti National Liberation Front [FMLN] peace dialogue delegations meeting in Mexico calls for changes to 28 articles of the Constitution.

The document, or constitutional reform draft, which could be presented to the Legislative Assembly for approval within 48 hours, touches four big important and general aspects of the Constitution: elections, the judicial system, the protection of human rights, and the restructuring of the Armed Forces.

Regarding the election issue, there is a proposal to change some names. Some changes would be made to turn the Central Electoral Council into the Supreme Electoral Tribunal, which would have five members, or magistrates, instead of three, as it is now.

The two additional members would be proposed by the Supreme Court of Justice and elected by the Legislative Assembly. The selection of the other three magistrates follows the pattern of the current system, that is, they are selected on the basis of proposals made by the three political parties that attained the largest number of votes in the most recent presidential election.

Regarding the judicial system, the reform bill calls for the Supreme Court of Justice judges to serve nine-year terms, instead of the current five-year term. One-third of the court members would be renewed every three years. To be elected, justices would have to receive two-thirds of the Legislative Assembly votes.

The justice of the peace post would become a permanent position and those occupying it must be attorneys at law. The judicial branch's budget cannot be less than 6 percent of the state's regular income. Recently it has been less than 1 percent.

Justices, magistrates, and other public officials would no longer be allowed to do notary work.

In the field of human rights, changes would be made in the General Attorney's Office by creating a human rights attorney's office that would have specific power to protect and promote these rights. An organization would be created to investigate crime. This organization would be under the country's attorney general. The three most important officials of the General Attorney's Office would have to be elected by a National Assembly majority.

Regarding the Armed Forces, the reform draft states that the Public Security Ministry would be separated from the Defense Ministry by creating a civil national police, which would be a professional corps, independent from the Armed Forces and detached from political activities.

The Armed Forces' role would be limited to defending the state's sovereignty, the integrity of the national territory, and peace.

Both ministries would be under the authority of the president.

'Political Will' Needed

PA2604043491 Madrid EFE in Spanish 2233 GMT
25 Apr 91

[Text] Mexico City, 25 Apr (EFE)—Peru's Alvaro de Soto, UN mediator in the talks between the Salvadoran Government and guerrillas in Mexico City, said today that "efforts are being made to attain peace, but political will on the part of both sides is needed." In remarks to the press, De Soto, who represents UN Secretary General Javier Perez de Cuellar in Central America, added that the United Nations will not stop helping the Salvadorans find peace.

Since 4 April, delegates of the Farabundo Marti National Liberation Front (FMLN) and the government of Salvadoran President Alfredo Cristiani have been negotiating over the civil war that has claimed more than 75,000 lives and caused \$4 billion in economic losses since 1979.

De Soto said the presence of various representatives of Salvadoran political parties in the meeting held on 24 April "was extremely useful because all of them were able to state their positions."

He indicated that the representatives met with the delegates "to reinforce the points of discussion on constitutional reforms." They further made the commitment to approve any agreements reached through the talks.

A source close to the meeting, which is being held behind closed doors and under tight security at a hotel in southern Mexico City, said that Spanish Lieutenant Colonel Javier Zarzo participated in the talks from the beginning through 20 April and then traveled to Madrid on 21 April.

Meanwhile, since 24 April, the Guatemalan guerrilla commanders and representatives of Guatemalan President Jorge Serrano have also been meeting in Mexico City to find peace in that Central American nation, where 31 years of undeclared war have resulted in more than 100,000 dead.

Minister Pacas: No Honduran Rights on Fonseca

PA2604042691 San Salvador Radio Cadena YSU
in Spanish 1730 GMT 24 Apr 91

[Report by Regina Vasquez]

[Text] Salvadoran Foreign Minister Manuel Pacas Castro said today that Honduras has no rights over the Gulf of Fonseca and that it will be the International Court of Justice that will make the final decision on jurisdiction over the territory.

[Begin Pacas recording] We have said that Honduras has no rights to the Gulf, (except perhaps its defense), and that only Nicaragua and El Salvador have sovereign rights over this territory. Honduras is not entitled to the exclusive economic zone or any other rights, such as

fishing, on the continental platform. Honduras argues that it does. Consequently, if we are refusing Honduras these rights, we could hardly speak of delimitations. The court will have to determine whether Honduras has or does not have rights over the area. [end recording]

The minister said that only Nicaragua could be entitled to any jurisdiction or rights in the border disagreement. Pacas said that the Salvadoran Government has presented the most authoritative documents, but that it will be the court that will rule on the case. This is the first time that the world's highest court will intervene in a border issue in Central America.

Guatemala

Bishop Quezada on Guerrilla-Government Talks

PA2504234291 Madrid EFE in Spanish 1903 GMT
25 Apr 91

[Text] Mexico City, 25 Apr (EFE)—Bishop Rodolfo Quezada, president of the National Reconciliation Commission (CNR) of Guatemala, said today in Mexico that the guerrillas and government of that Central American country have the political resolve to attain peace.

In statements to the press, Quezada, who also heads the Bishops Conference of Guatemala, added that "in general, we have begun" the talks to reach an agreement to end the undeclared war in that Central American nation on a good footing. He pointed out that the meeting between the Guatemalan National Revolutionary Unity (URNG) and the Guatemalan Government, which started yesterday, will conclude today. He added that it "will have positive effects toward attaining the much-sought peace" in a country that has suffered 31 years of undeclared war, which has claimed more than 100,000 lives.

The Guatemalan Government delegation to the peace talks is headed by Government Minister Ricardo Mendez, who is accompanied by, among others, General Raul Bedoya, the national defense chief of staff, and Manuel Conde, Presidency secretary general.

The four guerrilla leaders of the URNG who are attending the meeting are Gaspar Ilon, Pablo Monsanto, Rolando Moran, and Carlos Gonzalez. The URNG is comprised of the People's Guerrilla Army (EGP), the Rebel Armed Forces (FAR), the Guatemalan Labor Party (PGT), and the Revolutionary Organization of the People at Arms (ORPA).

The meeting is also being attended by Bishop Quezada, who on this occasion is being advised by Alfonso Cabrera and Olivero Garcia—party representatives—and by Teresa de Zarco and Monsignor Juan Gerardi. Spaniard Francesc Vendrell is also participating in his capacity as UN observer and representative of the UN secretary general, Peruvian Javier Perez de Cuellar.

Bishop Quezada underscored that the proposals submitted by the guerrilla command and President Serrano, have been taken into account, but explained that "they cannot be revealed to the press because they are secret." Quezada added that the topics being discussed at the meeting cannot be revealed "because we agreed to keep the issues under negotiation confidential."

He said that "the peace agreement must be the result of negotiations. We want them to take place as soon as possible. We could say that there is a reflective, serious, flexible, sincere, and cordial atmosphere."

Quezada voiced his hope for the approval today of "all the procedures for future negotiations, because an agreement on an agenda and approval of procedures for an upcoming meeting would constitute a good start and we would be able to say that this meeting has been successful."

Finally, the bishop announced that there will be a news conference at 1700 today (2300 GMT) to report on the meeting.

The Guatemalan guerrillas began their activities following a foiled coup d'etat in 1960 against General Miguel Idigoras, who was president of Guatemala at the time.

Meanwhile, representatives of the Farabundo Marti National Liberation Front (FMLN) guerrillas of El Salvador and the government headed by Salvadoran President Alfredo Cristiani have been meeting here since 4 April to reach an agreement to end a civil war that has claimed more than 75,000 lives and caused \$4 billion in economic losses since 1979.

Talks To Continue 26 Apr

PA2604032691 Mexico City NOTIMEX in Spanish
0127 GMT 26 Apr 91

[Text] Mexico City, 25 April (NOTIMEX)—Monsignor Rodolfo Quezada Toruno, president of the Guatemalan National Reconciliation Commission [CNR], announced tonight that the negotiations currently taking place between the Guatemalan Government and guerrillas within the Guatemalan peace process will continue tomorrow.

Quezada said that an agreement had been reached in principle to establish the agenda for the negotiations, which will be used as the guideline for the peace process. He added that the discussion of the main subjects announced on 24 April has required more time than expected; therefore, the meeting in Mexico City will continue on 26 April.

Quezada Toruno said that although there has been progress, particularly on the definition of the two processes for negotiating peace in Guatemala, the discussion and definition of substantial problems have (?surpassed) the CNR's expectations. [sentence as received]

Honduras

* Legislature Debates Additional Tax Measures

91CA0100C Tegucigalpa LA TRIBUNA in Spanish
8 Mar 91 p 6

[Text] After keeping the people in a state of uncertainty, the executive branch decided to send the new "big package" to the National Congress. It will tax purchases of items ranging from fuel to household electrical appliances, and exports of coffee, bananas and shellfish.

Finance Minister Benjamin Villanueva had already announced the new levy last January, "but they withheld it because they were giving it the final touches," according to one congressman.

The legislative branch learned about the bill just this week, and refrained from subjecting it to debate, which was postponed until next week. Its passage is taken for granted, because the Nationalist group has already given it "approval."

The Law on Incentives for Production and Tax Amendment, as it is officially known, creates a new tax schedule for beef, as well as lobster, shrimp, and certain mollusks. For their export, "dollarized" taxes will have to be paid; that is, based on the customs valuation factor (5.30 X 1).

The tax percentage for coffee was also raised to 7 percent, and banana exports have been dollarized.

A new sales tax is also stipulated, amounting to 10 percent for certain household electrical articles, such as refrigerators, color television sets, Betas and VHS sets, video rentals, and washing machines. On the other hand, the tax on tobacco and alcohol will be increased from 10 to 15 percent.

Most unexpected is the fact that the tax on petroleum consumption will rise to 20 percent. In addition, a sum of 20 million has been created to pay benefits for future unemployed persons, and approval will be given for a rise in salaries of government employees without bonuses.

The discussion of the standard that will regulate legislation in the health area was the one that most monopolized the congressmen's attention. However, it could not be approved in its entirety because of disagreements with the Chemical-Pharmaceutical Association.

During the three days of sessions, only four articles were debated, and another four were left in abeyance for subsequent debate. The latter include number 10, which the Liberal wing deputies claimed to be an attack on the job stability of public health employees.

In its second section the article states: "Those who disrupt the continuity of the health services provided in the state's treatment centers will incur criminal liability for the crime of sedition, as well as civil and administrative liability. Furthermore, such acts constitute cause for

dismissal from work, without economic liability for the state, when public officials or employees are involved."

After a heated confrontation with the Nationalist wing, the Liberal opposition succeeded in prompting the president of the Congress by law, Teofilo Martel, to leave the discussion of the article in abeyance.

At the sessions, various bills and single motions are usually introduced by the deputies.

This week, those who broke the record for motions were the Nationalists; because the Liberals did not dare raise their hands to submit new proposals.

Five new bills were announced, all introduced by the government supporters' group. One, submitted by Thelma Iris de Perez, was aimed at eliminating the unnecessary spending on the part of officials on gifts, gratuities, and publications, among other things.

The proposal was considered by some deputies supporting Oswaldo Ramos Soto as sectarian, because it eliminated the penalties for the legislative branch, applying them only to officials of the executive and judicial branches.

Irias Navas submitted a proposal to allow boarding or rented housing for retired and pensioned immigrants living on rents in dollars from abroad. To serve its purpose, the proposal calls for a series of prerogatives that would enable the beneficiaries to bring in household furnishings and even a vehicle every five years, without paying taxes.

Deputy Cesar Ortega Sousa, from Choluteco, also proposed an investigation of the status of leased land used by the shrimp industry in the Gulf of Fonseca.

Hector Nufio Gamero, for his part, requested an investigation of the acts of corruption occurring in public administration.

Before the end of this congressional week, the legislative branch approved a 30-day postponement for payment of the tax on industry, commerce, and goods stipulated in the Law on Municipalities.

The decision was made because the period for payment expired on 28 February, and the Congress failed to reach agreement with the private sector on the amendments to the aforementioned law.

Nicaragua

President Chamorro Speaks on First Year in Office

PA2504133591 Managua Sistema Nacional
Television Network in Spanish 0234 GMT 25 Apr 91

["Message to the people of Nicaragua" by President Violeta Chamorro in Managua—live]

[Excerpts] Dear Nicaraguans: A year and a half ago, we faced two problems: war and a grave economic situation. The two candidates representing the most important political groups that participated in the elections offered to eliminate both problems. The Sandinist candidate said everything would be better, and I, as the UNO [National Opposition Union] candidate, said I could indeed change things, and I am indeed doing just that.

When we went to the voting tables, the Nicaraguan people, through their votes, said that Violeta could change things. That was the beginning of the democratic path that we Nicaraguans began to travel on and that we intend to strengthen every day. I received a popular mandate, which reflects the will of the majority of Nicaraguans, to attain peace and overcome the economic crisis. Since the very first day of my government, I decided to work hard to attain that goal. Faced by the two problems, we had to start with the most important one: end the war. Last year, at this time, there were over 20,000 members of the armed resistance, we had an immense 80,000-man Army, and thousands of weapons were in the hands of civilians. My first task was, therefore, to attain peace. This is why all my government's initial efforts were channelled toward fully disarming the resistance. These courageous Nicaraguans made a generous and heroic contribution to establishing peace in Nicaragua. On this date, when we are marking the first anniversary of government, I wish to sincerely recognize these men who, with great courage, surrendered their weapons and joined civilian life and the country's productive process. [passage omitted]

In this way, we have been able to close my first year in office by establishing peace in the hearts of the Nicaraguans. No government can resolve national problems all at once. Nevertheless, at the end of my first year in office, we have resolved one of the two biggest problems facing the Nicaraguan people. It must be pointed out that this very important achievement of all Nicaraguans took place within the framework of a very great advance in the area of democracy and absolute respect for public freedoms. Today, we enjoy complete freedom of speech. We enjoy basic freedoms, such as trade union freedom and freedom to assemble. [passage omitted] There is also respect and full independence of the branches of government. In other words, the great achievement of peace exists along with the full enjoyment of democracy and freedom. Today we can feel proud that our country is moving firmly and resolutely towards strengthening democratic institutions and freedoms. I want to also point out that this national effort is directed at strengthening the reconciliation of the Nicaraguan family, which means to extend our hands as brothers, even though some sectors and groups refuse it and do not understand that this is the only path that will guarantee stability and a future for our children.

As for the grave economic crisis, we are taking the first steps so that in this second year we can fully devote ourselves to resolving our economic problems and so that my third year in office will be one in which our

economy will develop and grow and production will substantially increase. [passage omitted] I am firmly convinced that, on ending my second year of government, we will be able to refer to the economic crisis as a thing of the past. This is my government's great challenge in this second year. In this second year of government, I also plan to organize everything related to the proprietorship regime in Nicaragua. We cannot keep permitting ownership abuses. I am sure that, with the help of the National Assembly, everything related to ownership will be clarified and defined, as I pledged in my campaign and government platform and as it was agreed upon in the national concerted agreement, for the tranquillity of the Nicaraguan people. I know the task is difficult, but we must administer justice, which is an essential prerequisite to lay the groundwork of our economic growth.

Along these same lines, now that the National Assembly has elected a new comptroller general, I will join forces with him so the actions of public officials and the public administration institutions will be correct and so the Nicaraguan people can rest assured that we who work in the government are truly and honestly devoted to serve. Reports of corruption will be investigated and any officials found guilty will be punished according to law.

In the international field, I will continue improving relations with all peoples of the world based on the principles of true nonalignment, equality, respect, and mutual benefit with the certainty that the interests of the Nicaraguan people must prevail above those of political parties, groups, or persons. This first year of government took me to Central American countries, Venezuela, Mexico, the United States, Japan, Czechoslovakia, and European Community countries. In this second year, I intend to improve relations between Nicaragua and all other countries of the world so the international community can understand our true economic situation.

I see myself as the spokesperson of the Nicaraguan people. Everywhere I go I announce the sacrifices all our people are making to solve our economic problems. I ask you to support our devotion to work because our patriotic task must be to gradually build the Nicaragua for which we have struggled so much and which we are bound to strengthen every day. May God bless and protect us all in all our ways. Thank you.

Godoy Denies Plans To Oust President Chamorro

*PA2504215591 Managua Radio Catolica in Spanish
1130 GMT 25 Apr 91*

[Telephone interview with Vice President Virgilio Godoy by newsmen "Fernando" from unspecified location—live]

[Text] [Fernando] Listeners of the "The Awakening" newscast, it is now 0614 and we are interviewing Vice President Virgilio Godoy in connection with certain charges that are being made by some Sandinist media

this morning, as well as a statement made by the newspaper LA PRENSA last night. In addition, the Voice of America reported in its newscast early this morning that there is an attempt to link Dr. Godoy to activities being carried out by counterrevolutionaries in the northern part of the country. Dr. Godoy, what can you tell us about this?

[Godoy] Good morning, Fernando. I have just learned, upon my return from the United States, of this new campaign against me that is being stoked from within the government itself, particularly in the form of irresponsible statements by Presidency Minister Antonio Lacayo.

Last night, Univision's pro-Sandinist newscast also mentioned the charge to which you refer as having been carried on Channel 2. This involves several things. For example, after Lacayo spoke, [Government] Minister Carlos Hurtado, who serves more or less as an echo of Lacayo, also made some statements. He was paving the way for.... [changes thought] I will not name names, but the intent is obvious. Then, yesterday, LA PRENSA, with the characteristic malevolence of the past few months, printed two reports. One, signed by Roger Suarez, cites Minister Antonio Lacayo as directly accusing, not Virgilio Godoy, but Godoyism, of manipulating the peasants in the north. The other report is signed by another correspondent who claims to have spent two days in regions where the disturbances reportedly took place. He stated that he found absolutely no indication of violence, or anything of the kind, except for the common crimes that usually take place in that part of the country.

Therefore, this is one of those plots that are very reminiscent of the era when Tomas Borge and company headed the Interior Ministry and manufactured a conspiracy every two or three months because they had nothing to do and because they needed to utilize all the instruments of repression that the Government Ministry has now inherited and that function more or less along the same lines. It is most important that this time the actions are being carried out based on a statement from the Presidency minister, who has claimed that Mrs. Chamorro's stability as president has been threatened.

Actually, the only one who has threatened that stability is Lacayo himself. He has directly taken on the attributes of the president and has utilized her for his dealings with the members of the Sandinist National Liberation Front [FSLN] in line with his own way of seeing things. Not only is this true, it has happened before. Last year, there was a more or less similar incident, which is why I say that it is in line with the policy that was formerly pursued by the Interior Ministry and that now seems to have been picked up and adopted by the Government Ministry.

I believe that we citizens see this as a kind of diversion, as a result of the failure of an incompetent minister, Lacayo, who has resorted to this kind of gross claim to divert the public's attention at a time when the people are asking what is happening [words indistinct].

[Fernando] Mr. Vice President, what activities have you planned for the government's anniversary? Some media have reported that you are going to the northern area, where you are going to meet with some of the rebelling peasants.

[Godoy] Well, Fernando, this is also part of the matter. The campaign being waged by Presidency Minister Antonio Lacayo is similar to the campaigns that the media have been waging, particularly the newspapers, by stating that, right now, I am on my way to the north to meet with rebel leaders to celebrate the first anniversary of the government.

Actually, the only thing I am about to do is carry out the official activities that are scheduled for today in the presence of Venezuelan President Carlos Andres Perez. There is something interesting in all this. In talking about this presence of rebels, the Sandinist media have said that these people came from Honduras. They are not people who were here. Yet, none of them have identified these alleged rebels to justify the charge that the vice president is involved in an activity against the president or that he is prepared to remove President Chamorro from office. This is a stupid (?trick), carried out in the purest FSLN style, simply because Lacayo wants to use this method to justify the failure of an administration that has not been able to give the Nicaraguan people the well-being that they expected.

[Fernando] Dr. Godoy, to take advantage of your participation in "The Awakening" newscast this morning, we would like you to give us your evaluation of this first year of government.

[Godoy] Fernando, in my opinion, this government so far has only three things about which it can legitimately boast. The first is the end of the war, which was possible thanks to the goodwill of the resistance, which showed that it was truly on the side of peace. The second is that, with the end of that chapter, it had no choice but to also end the corresponding military service. The government timidly merely suspended it; it was the Legislative Assembly that later proceeded to eliminate the military service by revoking the respective law. Finally, there is the expansion of opportunity for freedom of the press. These are three political achievements that have no parallel in the economic sector, because the Nicaraguan standard of living is the same, and in many cases lower, than in the preceding years. I refer particularly to the level of unemployment, which is now much higher than it was in 1990.

Obviously, the blame cannot be laid entirely on the Chamorro administration. Some of it was inherited from the FSLN. However, Comrade Lacayo's weak performance at the head of executive branch activities has also contributed to less achievement than could have been possible.

Armed Contras Reported in North; Weapons Found

P42504185191 Managua Radio Ya in Spanish
1200 GMT 25 April 91

[Text] According to reports from the country's north, contras equipped with war weapons are moving about Wiwili and El Cua. These actions are part of events planned for today by chieftains who are now known as the recontras [recontra], which is what they are calling themselves. They are demanding the resignation of Mrs. Violeta Barrios and the swearing in of Virgilio Godoy as president. The reports also add that the recontras will demand the dismissal of Jinotega Mayor Noel Gareca Castellon.

According to another report, arms caches that the contras did not surrender to the Inter-American Commission on Human Rights have been found in the area of Ayapal, 150 km north of Jinotega.

The caches contained heavy and light artillery and plenty of ammunition.

Venezuelan President Arrives for 24-Hour Visit

P42504135491 Hamburg DPA in Spanish 0007 GMT
25 Apr 91

[Text] Managua, 24 Apr (DPA)—Venezuelan President Carlos Andres Perez began a 24-hour visit to Nicaragua this afternoon to attend the festivities to mark the first anniversary of President Violeta Chamorro's inauguration after her electoral victory and to strengthen the ties of friendship between the two countries.

The Venezuelan president was accorded a welcome befitting his high office at Managua's Augusto Cesar Sandino airport. He was welcomed by President Chamorro, senior government officials, and the diplomatic corps. President Perez' agenda includes a private dinner at Mrs. Chamorro's residence.

On welcoming Perez at the Managua airport, the Nicaraguan president highlighted the fact that the Venezuelan president has won the Nicaraguan people's affection because of his contribution to the struggle against the Somozist dictatorship, which was overthrown in 1979.

Perez stressed that the democracy being built in Nicaragua is a result of the work of society and the political forces of the UNO [National Opposition Union] and the Sandinist Front, which now enables the people to enjoy this achievement. No country can easily attain dignity and freedom, and Nicaragua is an example, the Venezuelan leader said.

Perez said that Venezuela has provided its support to both the Sandinists and the current Chamorro government. Venezuela helped the Sandinists maintain the electoral process, which permitted a peaceful change of government, Perez said.

On 25 April the two presidents will visit the grave of Pedro Joaquin Chamorro Cardenal, husband of Mrs.

Chamorro and an anti-Somozist politician and journalist, who was killed by gunmen hired by supporters of dictator Anastasio Somoza Debayle in 1978.

President Perez will then receive the "Pedro Joaquin Chamorro" award at the grade of "Grand Collar," which will be bestowed by the National Assembly during a solemn session.

Perez will host a luncheon for President Chamorro at the Venezuelan Embassy in Managua and then will meet with leaders of the opposition Sandinist National Liberation Front (FSLN) and will sign with the Nicaraguan Government a number of cooperation agreements on petroleum exploration.

At the Peace Monument, where the weapons taken from the contras and civilians are buried, President Chamorro will award the "Order of Jose Dolores Estrada" at the grade of "Battle of San Jacinto" to President Perez, who is scheduled to leave Managua at 1615.

Calls For El Salvadoran Peace

PA2604022691 Paris AFP in Spanish 0047 GMT
26 Apr 91

[Text] Managua, 26 Apr (AFP)—Venezuelan President Carlos Andres Perez today issued a fervent call to the Salvadoran Government and guerrillas to be more flexible and to sign a peace agreement. The appeal was made at the end of the Venezuelan president's 24-hour visit to Nicaragua, where he attended the celebration of the first anniversary of the Chamorro administration.

Perez urged the Salvadoran Armed Forces to be flexible and to respect civilian power, and he asked the Farabundo Marti National Liberation Front (FMLN) to seek "other paths for a civilized struggle."

"We all hope that Central America will be a land of peace and freedom and that it will serve as an example," Perez said. He also expressed hope that the negotiations currently being held by both sides in Mexico seeking to resolve the decade-long armed conflict will be successful.

During his visit to Nicaragua, Perez met with former Sandinist President Daniel Ortega and delivered a speech to a special session of the National Assembly.

President Chamorro awarded Perez the Order of Jose Dolores Estrada, at the grade of Battle of San Jacinto—its highest—and the Order of Pedro Joaquin Chamorro, as recognition of his contribution to Nicaragua's democratization process.

The Managua and Caracas governments also signed an agreement on petroleum exploration in Nicaragua and another dealing with bilateral trade relations.

Venezuela also announced a \$10-million donation for housing construction in Nicaragua.

Panama

Endara on Situation of Earthquake Victims

PA2604024391 Panama City Circuito RPC
Television in Spanish 2300 GMT 25 Apr 91

[Text] This morning President Guillermo Endara, accompanied by his wife, traveled to Bocas del Toro Province aboard a National Air Service plane to personally assess the situation in the wake of this week's earthquake. Minutes before leaving President Endara made the following statements to the press:

[Begin recording] [Endara] The United States is helping us; the EEC has made serious offers to help; Canada and the United Kingdom have as well. All of them will help. I do not know how, but they will indeed help.

[Reporter] Mr. President, what is your opinion about the very harsh criticism of you by First Vice President Ricardo Arias Calderon at a moment like this?

[Endara] Unfortunately, I thought that he would wage a more serious kind of opposition. He knows that the \$10 million [that has been allotted for the earthquake victims] is only an initial amount. All the media mentioned this. He is apparently trying to politicize a national tragedy. That is his prerogative and I will not deny it to him.

[Reporter] Mr. President, what about the Panamanian people's support so far?

[Endara] It has been magnificent. They have shown solidarity. They have extended a helping hand to other Panamanians in need. Bocas del Toro Province residents should feel proud to be Panamanians, because fellow citizens throughout the Republic have shown genuine concern for them. [end recording]

In Bocas del Toro, President Endara made the following statements:

[Begin recording] [Endara] It is one thing to say in Panama City that Bocas del Toro has suffered a tragedy and another is to personally witness it on site. It is really touching to see the human suffering here—human suffering caused by hunger, thirst, and the lack of shelter. We Panamanians must show solidarity with the Bocas del Toro residents because they are noble, hard-working people.

These people will get back on their feet again, but they need a hand from all Panamanians. For its part, the government will do all it can to rebuild Bocas del Toro. I urge all kind-hearted people, as all Panamanians are, to help these people to rebuild their city and to ensure that they have food and water.

[Reporter] There is a \$10-million allotment for Bocas del Toro. Could this amount be increased in the next few hours?

[Endara] Yes. I must point out that we approved that allotment the day after the earthquake. We clearly stated then that this was an initial amount. We wanted to approve a certain amount. In time we will determine how much we will actually need to allot. Personally, after having seen what I saw today, I believe that we will have to allot much more than \$10 million.

[Reporter] Could you quote an estimate?

[Endara] No, I do not wish to do that because I am pretty bad at making estimates.

[Reporter] Mr. President, what will be the immediate actions in this community?

[Endara] First, to provide food and water for the residents. Afterward, we must rebuild their roads, schools, and hospitals. We must help the residents rebuild their homes. There is much to be done and all Panamanians must work together. [end recording]

Arias Urges More Aid for Earthquake Victims

PA12504181091 Panama City ACAN in Spanish
2122 GMT 24 Apr 91

[Text] Panama City, 24 Apr (ACAN-EFE)—Ricardo Arias Calderon, first vice president of Panama and leader of the Christian Democratic opposition, said today that President Guillermo Endara has not provided enough resources for the homeless of the 22 April earthquake, which caused at least 29 deaths in Panama and 79 deaths in Costa Rica.

During a meeting with journalists, Arias Calderon also accused Endara of trying to form alliances "with the supporters of the dictatorship," in reference to the Democratic Revolutionary Party (PRD), also in the opposition. The PRD, which was the main force of the government of Manuel Antonio Noriega, today proposed that the government form a "social pact."

Arias Calderon said that the \$10 million that Endara requested from the Legislative Assembly to meet the needs of thousands of homeless in the Bocas del Toro Province, bordering Costa Rica, is very little "because the damage is much greater and more serious."

Arias Calderon added that "there are enough funds (in the public treasury) to meet the needs of Bocas del Toro residents in a more generous manner," and he accused the government of engaging in "greedy state" practices.

At least 29 people were killed in Bocas del Toro, approximately 500 were injured, and more than 15,000 were left homeless or without basic public services, as a result of the earthquake that struck the area on 22 April.

Regarding the alleged alliance between the president and the PRD, Arias Calderon said that he is not surprised over the rapprochement, because Endara will need the votes of "the supporters of the dictatorship" in the Legislative Assembly in order to get a "slight" legislative

majority. Because of the ousting of Arias Calderon and the Christian Democrats from his government, President Endara no longer has a majority in the Legislative Assembly. The Christian Democrats have 28 deputies of the 67; however, since their ousting, the eight PRD deputies' votes now have decisive leverage on all issues.

The PRD, in a communique issued today, proposed that the government make a "joint effort" aimed at defining and obtaining a "social pact" that would embrace all the official and opposition sectors. The PRD, however, made it clear that it does not want to participate in the government's administration.

The communique also suggests that President Endara work jointly "so that Panama will be accepted once more into the congregation of Latin American nations that have turned their backs on her, given the manner in which power was assumed," shortly after the U.S. invasion was launched.

Commerce Minister on Offer To Help Costa Rica

PA12604044191 Panama City Circuito RPC
Television in Spanish 2300 GMT 25 Apr 91

[Interview with Commerce Minister Roberto Alfaro by unidentified reporter; place and date not given—recorded]

[Text] Commerce Minister Roberto Alfaro has said that the Panamanian Government will offer aid to Costa Rica in the form of fuel, use of its ports, and expedite passage of cargo transport through the common border:

[Begin recording] [Alfaro] We have offered our help to Costa Rica. Panama's refinery is willing to supply Costa Rica with gasoline, diesel, and jet fuel to allow that fraternal country to maintain its industries and transport.

We also offered to the Costa Rican economy minister an agreement allowing industrialists from that fraternal country to bring all their products to Panamanian ports for export.

We must offer our help to that fraternal country because they are also facing very serious problems at this time. We want to find ways in which Panama can help Costa Rica, because I am sure that it would help our country should we have similar needs in the future.

[Reporter] Mr. Minister, what mechanism will the Panamanian Government use to make this aid effective?

[Alfaro] The Commerce and Industry Ministry, following orders from the president of the republic, is drafting an executive decree by which Costa Rica will be allowed to bring freight to Panama and to transport it along our roads; also, Panama's customs office will be a little more flexible to ensure that transport vehicles will not be held up at the border, and the Health Ministry will also be a little more flexible in sanitary matters in order to allow perishable products exported by Costa Rica.

such as meat, to pass through Panama quickly in order that they can be shipped from the Ports of Balboa and Cristobal. [end recording]

Arias Rejects Office of Presidency Via Coup

PA2504200991 Panama City EL DIARIO INDEPENDIENTE in Spanish 25 Apr 91 pp 1, 22

[Text] Ricardo Arias Calderon, first vice president and former government and justice minister, said he would never assume the Presidency as a result of a coup d'etat.

Arias Calderon made these statements to EL DIARIO INDEPENDIENTE when questioned about the possibility of his sitting in the presidential chair should President Endara take ill or be absent, or should a coup take place.

Arias Calderon did not rule out a decision to fulfill his duty and occupy the Presidency—in accordance with the Constitution—should President Endara be permanently absent or become ill.

The second vice president criticized the alliance formed between the Arnulfists and the Democratic Revolutionary Party [PRD], and made President Endara responsible for reviving the PRD after ousting the Christian Democrats from his cabinet.

In light of PRD Secretary General Ernesto Perez Balladares' proposal for a national agreement, Arias Calderon, who is the Christian Democratic Party leader, said he does not foresee his return to the Endara government as the conditions needed for an "agreement" do not prevail.

According to the vice president, the president can grant more than \$10 million to meet the needs of the Bocas del Toro earthquake victims without endangering the 13th month bonus payment.

Arias Calderon said that in 1990, \$362 million that was included in the budget were not spent "because \$188 million in revenues was collected over and above what had been estimated, and \$174 million earmarked in the budget was not spent."

He added that \$445 million was assigned to the central government in 1991, and \$215 million of that amount was spent during the first three months.

Vice President Ford Warns Drug Money Launderers

PA2504202691 Panama City EL PANAMA AMERICA in Spanish 23 Apr 91 p 1

[Article by Juan Pritsiolas]

[Text] Second Vice President Guillermo Ford said on 22 April that his brother Henry Ford must go to jail if it is proved that the drug money laundering charges made in the latest issue of "HOMBRE," an international magazine, are true. According to the magazine, Henry Ford laundered money for Ramon Millian Rodriguez, a

Cuban-American drug trafficker considered to be the accountant for the Medellin Cartel in Miami.

According to "HOMBRE," the second vice president's brother used his own armored vehicles to transport the money Millian sent by plane to Panama to be laundered. The Cuban-American is currently in a U.S. jail.

"This has been mentioned several times and I have said it before, and I repeat it, if it is proven that my brother, or any other relative of mine, is involved in this, then send him to jail," Guillermo Ford said when asked about the article.

The second vice president rejected the possibility of taking legal action against "HOMBRE" adding that "thank God" he had never in his life sued anyone (or been sued).

Likewise, Ford warned that if it is proved that a banking institution is involved in the laundering of drug money, it will be "closed immediately."

On 22 April, Ford met with members of the Banking Commission, Attorney General Rogelio Cruz, Drug Secretary Ariel Alvarado, National Bank Director Luis H. Moreno, and Finance and Treasury Minister Mario Galindo to discuss additional mechanisms to deal with possible cases involving drug money laundering. The second vice president of the Republic said that the meeting was called in light of persistent attempts to involve banks operating in Panama in the drug money laundering business.

A memorandum of understanding between the Banking Commission and the Attorney General's Office will be drafted following the meeting. This will allow for the overseeing of the banking system and for going directly to the source because Panama "cannot be a haven for crooks."

Ford avoided responding to statements made by Christian Democrat Guillermo Cochez, former mayor of Panama City, who said that the second vice president is adopting an "ostrich" policy in reaction to the crisis. Furthermore, Ford deemed as "unfortunate" additional statements by Cochez calling the current government "stinking."

High-Ranking Foreign Ministry Official Resigns

PA2604042491 Panama City LA PRENSA in Spanish 17 Apr 91 p 1

[Report by Manuel Alvarez Cedeno]

[Text] Eduardo Alvarado, chief of information of the Foreign Ministry, resigned from his post yesterday amid reports of disputes between Foreign Minister Julio Linares and Angela Pinzon, the ministry's general secretary.

At least six other high-ranking Foreign Ministry officials, including Pinzon, all of whom are from Molirena

[Nationalist Liberal Republican Movement], have either resigned or are about to do so in support of Pinzon.

It was reported that the problem between Linares and Pinzon emerged when officials who worked for the previous government and who are still working in the Foreign Ministry upset Pinzon.

Yesterday morning, when LA PRENSA asked Linares about reports of disputes within the Foreign Ministry, Linares responded: "I have nothing to say about that."

Alvarado's laconic resignation note states that he will leave the post effective on 30 June.

Argentina

Alfonsin on Condor-2, Alignment With U.S. Policy

PY2604011091 Buenos Aires NOTICIAS
 ARGENTINAS in Spanish 1710 GMT 25 Apr 91

[Text] Buenos Aires, 25 Apr (NA)—Former President Raul Alfonsin today "categorically rejected" the suspension of the Condor-2 missile project, which he called a strategic study "linked to the decision to put an Argentine satellite into orbit."

Alfonsin, head of the Radical Civic Union [UCR], said: "Not only has the project been suspended, but there are rumors that the Falda del Carmen-based factory in Cordoba Province will be dismantled." He said the government must continue the project "in defense of our sovereignty" and must not accept the suggestions of the United States.

In a program aired by Radio Rivadavia, Alfonsin also denied that the project may have been financed with funds originating from Iraq, as "a morning newspaper continues to affirm." He added: "We categorically reject" the government's attitude on the Condor missile.

Alfonsin noted that he advocates "a mature relationship" with the United States "in which common, different, and contradictory interests prevail." He said that the idea of a "special relationship" with the United States is regarded as "repetitive" in Argentina and other Latin American countries.

The UCR leader pointed out that "the current government has ruled out any principle, position, or reservation that could be seen as an obstacle to or deviation from Argentina's full support for U.S. policy." He cited as an example "the payment of the foreign debt, in which priority treatment was given to the request made by creditor banks."

He said that as far as foreign policy is concerned, Argentina "runs the risk of giving up everything for nothing."

Alfonsin said that this alignment with U.S. policy weakens links with Latin American countries. He cited as an example the country's participation in the Persian Gulf war without previously consulting with the countries in the region. He pointed out that "this overexertion" in foreign policy "is isolating the country from the rest of the region."

He said the vote against Cuba at the UN Human Rights Commission was a "vote against a declaration upheld by Argentina and other Latin American countries." "A phone call was all that was needed to make Argentina vote against its own project," Alfonsin stressed.

Government Moves Election Date to 20 Oct

PY2504123891 Buenos Aires TELAM in Spanish
 1522 GMT 24 Apr 91

[Text] Buenos Aires, 24 Apr (TELAM)—The executive branch has fixed the date of the elections at which new national deputies to replace those whose terms expire on 10 December 1991 will be chosen. The elections will be held on 20 October. It has also summoned the electorate of the federal capital to elect legislators, councilmen, and neighborhood representatives on that same date.

As was reported yesterday by President Carlos Menem, a communique issued by Presidential spokesman Humberto Toledo's office confirms that elections will be held on 20 October instead of the previously established date of 8 September.

The measure was adopted through Decree 786, which establishes the partial renewal of the Chamber of Deputies in the distinct electoral districts on 20 October "according to that established in Article 41 of the Constitution, Article 1 of Law 23229, and Articles 53 and 54 of the National Electoral Code" that is approved by Law 19945 and its amendments (text ordered by Decree 2135 issued on 18 August 1983).

Decree 787, signed by President Menem and Interior Minister Mera Figueroa, summons the electorate of the federal capital on 20 October to elect 12 national deputies and eight alternates; 30 councilmen and 10 alternates; and 126 neighborhood representatives and 84 alternates.

The terms of 12 national deputies expire on 10 December. The terms of half of the members of the federal capital city hall, and all of the neighborhood representatives also expire according to Articles 7 and 43 of Law 987.

The law establishes in Article 2 that "national and municipal elections will be held in keeping with the electoral system established in Title 7 of the National Electoral Code, which is approved by Law 19945 (text ordered by Decree 2135 of 18 October 1983) and its amendments according to that established in the municipal order under Article 8 of Law 19987 and its amendments."

Drug Official Rejects Charges Against Menem

PA2504164791 Bogota Radio Cadena Nacional
 in Spanish 1200 GMT 24 Apr 91

[Telephone interview with Alberto Lestelle, Argentine secretary of planning and coordination for drug abuse prevention and the antinarcotics struggle, by unidentified reporters at the Ninth Drug Conference in Cartagena, Colombia, on 24 April—live]

[Text] [Reporter] Good morning, Dr. Lestelle, we have read in the international media—particularly from Spain—news dispatches that attempt to indirectly link

President Carlos Menem with several drug trafficking organizations. What do you think is the intent and goal of these published items?

[Lestelle] Three days ago I made a number of statements that have now been confirmed. Some persons—we do not know exactly who they are, but we do have an idea so we cannot mention any names—have launched an attempt to discredit President Menem. Maneuvers of this type have been used in the past. I want to give you a scoop, however: I just spoke with someone in Argentina, and today the Spanish Government and the news agency that had allegedly sent the report to Argentina have released statements saying that the information sent from Spain was false.

This demonstrates that there is a definite campaign attempting to discredit the president. As a member of the Argentine Government, I can give you my point of view. Just as there are confessed drug traffickers who talk to lessen their sentence, in my country we have confessed politicians. These politicians want to recover lost ground, particularly during this very important election period. This year all the nation's governors, half of the senators and deputies, all the intendants—who number over 1,300—will be up for election. This is a very important year from an electoral point of view. I think that someone could be waging a campaign from Argentina and sending the news as if it came from a foreign source—not only to Argentina but also to Latin America—to attempt to discredit President Menem in the upcoming elections in September and October. This campaign to discredit the president is aimed at obtaining the official party's defeat in the elections. This of course will not be achieved because we are acting in a very honest, outright fashion, saying what we think, and when the time comes we will disclose the names of the persons involved in this campaign.

All of this coincides with the government's all-out struggle—open and unprecedented in Argentina's history—against drug trafficking. This means that one cannot rule out the possibility that a drug trafficking group could be trying to destabilize the government. These groups will not be successful because the government is very well supported by the rank and file, and above all by the government programs currently being implemented and public works projects currently under way.

[Reporter] Why did the Argentine Government order an investigation several days ago at the main airport in Buenos Aires?

[Lestelle] The Argentine president personally ordered a thorough investigation at the Ezeiza International Airport. Once more, this is a courageous act undertaken by President Menem in his struggle against corruption that is generated by drug trafficking, and as a result of timely information he had received. This investigation dates back to 1986-87, when illegal operations started taking place. An example of these illegal operations is the uncontrolled introduction of merchandise and packages by numerous

transportation companies that had free access to this airport. The exact number of illegal packages introduced into the nation is being investigated and we are also tracing whatever was inside those packages to learn if it was drugs or money destined to be laundered in another country. This is a very serious ongoing investigation. The judge has ordered that the case under investigation be kept secret, so we cannot disclose any further details. This is definitely a political decision made by President Menem to investigate an area that had never been investigated before, and some surprises might come up.

[Reporter] Dr. Lestelle, you cannot deny that the information published in Spain regarding persons linked to President Menem's relatives and the government itself—such as Mr. [Mario] Anello for example—is a very serious accusation.

[Lestelle] You mentioned the case of Anello being linked to the government. I am going to clear this up once and for all: Anello has nothing to do with the government. He is wanted by the authorities and we do not know who he is or what his story is all about. That report that he had been appointed commissioner to the Sevilla Expo-92 is false and whimsical; even the Spanish Government has just denied this. With regard to the Yoma family, I can say that to date in the Argentina judicial system, where the case is being investigated and where some members of that family have been summoned to testify, they have not been linked to any illegal activities in Argentina. This is as of today. If further down the road some new facts come up and the judge deems it necessary to call them to testify once again, and if these facts indicate that something has been going on, then this would be a different story. Let me make it clear: Up until today the Yoma family has not been found to be involved in any of the money laundering activities under investigation.

[Reporter] Nevertheless, the case does not appear to be the same in Spain where Judge [name indistinct] gave the impetus for the investigation. You claim that in Argentina there is nothing against the Yoma family but in Spain the investigation continues.

[Lestelle] Let me clear this up for you. In Spain there is a confessed criminal, and we do not know where he is getting his information from or whose payroll he is on. That confessed criminal has declared that he believed that Amira Yoma and her brother Karim Yoma were allegedly involved in money laundering. The confessed criminal said that he believed this. Based on these statements, the judge records the accusation and sends a request from Spain to Argentina that these persons be summoned to testify. This has been done; this case is under investigation in Argentina. Amira Yoma and Karim Yoma were summoned to testify and after extensive depositions by both, the judge ruled that they are not involved in the case. Whatever information comes from Spain can no longer be considered as valid or true in Argentina. What is very surprising is that all this information comes out of Spain. It does not come from the UK, Germany, or even Russia. Maybe it is because

these languages are more difficult to understand, or could it be that there is an Argentine who sends this news to Spain so that it rebounds back to Latin America and then spreads like wildfire?

[Reporter] Thank you very much for your statements, Dr. Lestelle.

Menem, Spain's Gonzalez Confer About Drug Rumors

PY2504213091 Buenos Aires BUENOS AIRES
HERALD in English 24 Apr 91 p 11

[Text] (DYN-NA)—The dust seemed to settle yesterday [23 April] after a storm exploded on Monday over the alleged appointment of suspected drug money launderer Mario Anello to the Expo '92 trade fair in Madrid by President Carlos Menem.

But clouds of doubt rose to enshroud the figure of the current Expo '92 representative, Mau-Mau disco owner Jose Lata Liste, himself once implicated in cocaine-smuggling investigations.

At the same time, the Spanish news agency Europa Press maintained that the Menem-Anello alleged link was contained in a report which formed part of a paper on drug-trafficking presented before the Spanish parliament by Spanish Prosecutor-General Loepoldo Torres.

The drug reports are being put out by a "rumour mill," Menem said yesterday, who spoke twice with Spanish head of government Felipe Gonzalez on the telephone on Monday over the incident.

He also appeared confident that his brother-in-law Karim Yoma had been cleared of drug money laundering charges: "Karim Yoma's participation has been definitely ruled out but this has damaged both him and his family tremendously," Menem said.

The President also revealed that newly-appointed Justice Minister Leon Arslanian will travel to Spain to be briefed on drug investigations related to Argentina there.

Meanwhile, Culture Undersecretary Jose Maria Casti-neiro de Dios said that Anello's name had never come up for the Expo '92 fair although other names had been bandied about when Lata Liste nearly lost the post last November over his own alleged involvement with drug trafficking.

Dissident Peronist Deputy Carlos "Chacho" Alvarez stepped forward yesterday to remind Lata Liste that he was implicated in the smuggling of nine kilogrammes of cocaine in 1974 and that he is considered "an international drug-trafficker by the U.S. Drug Enforcement Agency."

Also yesterday, Argentina requested the extradition of Cuban-Panamanian drug money-launderer Ramon

Puente Patino, alias Jose Lezcano Patino, from Montevideo, Uruguay, where he is being held since February 19 for the alleged laundering of 8,000 million dollars in drug money.

Patino is wanted in connection with the same case involving Anello, Yoma and other Argentines and is being held on a floor to himself at the Montevideo central jail.

A "gardener" from Patino's home at 899 Alvear street in Martinez, Buenos Aires, who had been travelling regularly carrying messages to Patino in jail was placed under arrest by Judge Maria Servini de Cubria but is now free under a 10,000-dollar bail which Patino's wife sent from Montevideo.

Bolivia

Military Has 'Profound Concern' About Corruption

PY2604005091 La Paz PRESENCIA in Spanish
22 Apr 91 p 5

[Excerpts] All the country's military units have expressed "their profound concern and alarm" over the high level of corruption affecting Bolivian institutions.

The reaction to this criminal activity, which is especially affecting the police, came through Army Commander General Guido Sandoval Zambrana in an interview with the Fides News Agency.

The Army commander urged all civilian institutions of the country to create the appropriate conditions to overcome this high level of corruption, to ensure respect for the law, and to punish those involved in criminal actions.

"We (the Armed Forces) are concerned because the level of corruption is alarming," Sandoval said. He added that the Armed Forces have their own mechanisms to deter corruption.

"The armed institution has never failed to urge civilian personnel, officers, NCO's, sergeants, and soldiers to assume their specific legal functions within society," Sandoval said. According to the Army commander, corruption "is out of the Armed Forces." [passage omitted]

Commenting on the issue, General Jorge Moreira Rojas, commander in chief of the Armed Forces, noted that all the country's institutions run the risk of becoming involved in corruption. He explained, however, that the Armed Forces have their own disciplinary and internal control mechanisms to avoid this evil.

Brazil

Minister: U.S. Military Cooperation 'Inevitable'

PY2504131291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Apr 91 p 5

[By Joao Bosco Rabello]

[Text] Brasilia—The Brazilian Government believes that resuming negotiations with the United States is inevitable if we are to redesign the U.S.-Brazilian military cooperation agreement. The agreement was broken in 1976 by former President Ernesto Geisel in retaliation for the human rights policy of the government of Jimmy Carter, which pressured Brazil with permanent criticism and demands on the issue. Foreign Minister Francisco Rezek has said that this time the agreement will be based on different terms, but he admitted that an agreement may be signed during or after President Fernando Collor's visit to the United States which is scheduled for June.

The minister said that neither government has yet made any formal effort to resume bilateral military cooperation. He noted, however, that the United States has already unofficially expressed interest in including the issue in the agenda of the talks scheduled for June.

If this interest is confirmed, Rezek said, the formalities will be few and short. The terms of the agreement could be ready in a maximum of two weeks.

Rezek does not see any opposition or reservations over closing the agreement. He recalled that this kind of cooperation existed during the historic stages of absolute democratic legality in the country, like during the constitutional government of Getulio Vargas, who inaugurated the agreement, and during Juscelino Kubitschek's government. Rezek stressed that it was precisely during the authoritarian period, during Geisel's government (1974-1978)—a stage of relaxed relations—that Brazil was denounced following pressure by the Carter administration on human rights.

Rezek said it is groundless to think that the agreement will reestablish the pattern of ideological indoctrination of the 1960's when Brazilian military men became very pro-American. Rezek considers the risk to be similar to that resulting from a cultural agreement. He stressed that if the agreement is reestablished it will be based post cold war reality. The minister thinks that bilateral cooperation in the military field will be appropriate. Rezek said that the issue was blown out of proportion during the drafting of the Constitution because of the mobilization of nationalistic fronts. In any case, Rezek believes that there will be no problems in closing the agreement which in his opinion is "inevitable and imminent."

President Orders Reduced Tax on Food Products

PY2504182291 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 25 Apr 91

[Excerpt] President Collor has instructed Economy Minister Zelia Cardoso de Mello to tell the state finance secretaries to reduce taxes on agriculture products. The president announced this measure while opening the first national meeting of agriculture sector leaders.

This afternoon, the economy minister will preside a Finance Policy Committee meeting that will be attended by all state finance secretaries. The minister will propose reducing the ICMS [Goods and Services Movement Tax] on staples.

[Begin Cardoso recording] The idea is to propose a 50-percent reduction on the tax on some essential food products, seeking to reduce the family basket price and encourage production. This tax cut will also reduce tax evasion which, among agriculture products, is currently very high. Taxes on agriculture products are currently very high. [end recording] [passage omitted]

IDB Grants \$350-Million Loan for Programs

PY2604023891 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 24 Apr 91

[Text] The Inter-American Development Bank, IDB, has approved a \$350-million loan to Brazil, equivalent to more than 100 billion cruzeiros, to help finance a sanitation program and the creation of employment opportunities in the country. This is the first loan announced by the IDB since the organization's annual conference in Japan.

* Maia Views Price Freeze, Patents, Investment

91SM02694 Sao Paulo O ESTADO DE SAO PAULO in Portuguese (Economic Section) 14 Mar 91 p 6

[Interview with Joao Maia, executive secretary of the Ministry of the Economy, place and date not given: "Joao Maia: Adjustments Will Be Set in Advance"; first paragraph is O ESTADO DE SAO PAULO introduction]

[Text] The government already has a plan to unfreeze prices. First, any readjustment determined by the sectoral chambers will be based on estimates of future inflation. The companies can forget about adjustments for past inflation, advises Joao Maia, executive secretary of the Ministry of the Economy. The pace of the decontrol is another major concern of the economic team. It will not benefit everyone at once. The sectors which exert a strong force on the market, those in which international trade is very difficult [highly restricted] and which act as price setters, should remain under strict supervision.

Brasilia—Companies which are planning to go to the government to attempt to arrange a readjustment in prices, arguing that their costs have increased, can drop the idea. The government is not going to accept requests

for price increases based on past inflation. According to Joao Maia, executive secretary of the Ministry of the Economy, the idea is to institute a system for readjustments based on estimates of future inflation. The forum for discussion of the system will be the sectoral chambers, in which the businessmen and the government will define the price policy.

"I think that this time it will be a more orderly decontrol," Maia said in an interview with O ESTADO DE SAO PAULO. The caution is such that not all sectors will be totally decontrolled. Sectors which exert a very strong influence in the market, sectors in which international trade is very difficult and which act as price setters, will remain under strict supervision.

The executive secretary feels that inflation will be controlled only when the government succeeds in bringing order to the public finances. "It is necessary to make the fiscal adjustment, to straighten out the finances, and the state companies must recover their investment capacity," he explained.

According to the executive secretary, the process should be accompanied by the liberalization of the market, the deregulation of the economy, and the financing of industrial modernization. "The closed model of industrialization led to excessive protection, which led industries to operate with very high costs," he said.

According to the economic team, the resumption of development and the modernization of the economy is directly tied to attracting foreign capital. The renegotiation of the foreign debt, which has not come about yet, is considered essential in attracting foreign investment. Joao Maia admits that it is difficult to reach an agreement with the creditors, but he advises that the government will seek a lasting solution, so as not to "sing victory songs for three months and then cry for the next four years."

[O ESTADO] The government calls the decontrol of prices a matter of greater flexibility. What is different about this flexibility that is beginning now, in relation to the Collor Plan 1, of last year? What did not work and will not be tried again this time?

[Maia] I think this time it will be a more orderly decontrol. The idea is to have sectoral chambers, but not to discuss past costs. It is already certain that there will be a process for decontrol and it will be arrived at by the sectoral chambers. Maybe it will be arrived at through an agreement among the members of the productive chain, with a kind of presetting of a future figure and not with a discussion of the variation of past costs.

[O ESTADO] But there are products for which the prices are being readjusted.

[Maia] We will never again do what was done with the Cruzado Plan. It was forbidden to decontrol the price of peanuts because it would have made the front pages of the newspapers. So, from day one, if they felt it was

necessary, they meddled in the prices. If you are going to go from a period of freeze to a period of uncontrolled prices, what rule do you use? This is the big debate; this is the question we want to settle. However, we are not going to keep everything set in concrete.

[O ESTADO] Do the sectoral chambers already have a date to begin work?

[Maia] Not yet. We know what we do not want. We know that some sectors cannot be decontrolled right away.

[O ESTADO] Which sectors? The oligopolies and monopolies?

[Maia] This is only a small part of it. There are many sectors which have great power over the market, in which international trade is very difficult. Past experience has shown that these sectors have an organized system of price fixing.

[O ESTADO] The automotive industry, for example?

[Maia] I am not going to name names. If I cite any, it will cause problems.

[O ESTADO] Then how is this decontrol going to come about?

[Maia] Some sectors, most of them, will be decontrolled immediately. And in others, the process will be through the sectoral chambers.

[O ESTADO] How are you going to avoid the discussion of past losses?

[Maia] The sectoral chamber is not going to be a meeting in which the sectors present their record of cost variations over a given period. We might, for example, create a ceiling within which the sector could set its prices.

[O ESTADO] We are thinking that this time you will be much stricter than you were last year...

[Maia] Absolutely.

[O ESTADO] ...and that this price control policy is here to stay. It will never end because the full decontrol envisioned in the Collor Plan did not work.

[Maia] No, no. Look, the question here is how long the transition period will be, because, in the other plan, we moved over very quickly.

But there is no plan for permanent price control. Some sectors will be moving more rapidly toward freedom, some sectors will take an average amount of time, and some will take longer.

[O ESTADO] And the cost of services: how will it be established?

[Maia] Obviously, some sectors are competitive and nonessential. It is nonsense to think we have to go on controlling the rates for luxury hotels when we move away from stricter control. This is one case, but I can

think of thousands of others which are competitive or uncontrollable. These sectors should be decontrolled right away.

[O ESTADO] Are you convinced that the freeze was a good measure?

[Maia] I think it was inevitable.

[O ESTADO] But you did not want it.

[Maia] No one on the team advocated it. But, you see, there are two things. It is one thing to think you can control inflation in Brazil by controlling or freezing prices. The consensus of the team is that this does not work here or anywhere in the world. But when they came to the conclusion that deindexation was needed, that inflation was high and was rising, that they were going to intervene in the financial market, and that they should not have wage indexing, because, in our opinion, wage indexing was the final chapter in the surrender [to inflation], at that moment the issue of whether or not to freeze prices became secondary.

[O ESTADO] Do you acknowledge that the Collor Plan was poorly administered?

[Maia] It is very difficult to say what would have happened if we had taken a different path. Actually, the price decontrol did not result immediately in an accelerated increase in prices. The process of decontrolling prices was going along very well and with a falling rate of inflation. When, for reasons totally beyond our control, we had to make a strong adjustment in the cost of fuels—more than 30 percent in one month—the path of inflation reversed; it went from downward to upward and then, yes, prices in those sectors that had been decontrolled began to run ahead of the inflation. When [we] entered the decontrol process, we were expecting a decline [in inflation], the indices pointed to a decline, and the first sign of the upward reversal did not come with the decontrolled prices, but from the administered prices, a public price, the price of petroleum derivatives.

[O ESTADO] There is an internal factor that could operate from now on. The new cruzados that were withdrawn [from circulation] are being liberated simultaneously with the introduction of greater price flexibility. What is your feeling about this?

[Maia] There is a notion that people are going to draw out the new cruzados and go on a spending spree. We have never shared this opinion. We think that people are going to hold on to the money and put it to good use.

[O ESTADO] Last week it was reported that there was a 38-percent increase in bank withdrawals in February. Is the demand already not heating up?

[Maia] No. The disinformation about this is incredible. There are many withdrawals at the end of every month. What happened last month happens every month, and the money returns to the bank two days later. But the media are no longer interested, right? I have to say this:

We had a freeze process, with very strong intervention in the financial system, and consumption rose minimally. Demand deposits have risen by more than 50 percent. Savings accounts have grown hugely. Bank balances are way up. I have already seen the final supermarket statistics for February and the figures are absolutely normal. There is no bubble. There is no boom in consumption, nothing like that.

[O ESTADO] What is the forecast for inflation in March?

[Maia] If you took a reading in February, current inflation would be about 3 or 3.5 percent. Incidentally, even in the newspapers that are not noted for supporting us, the basic market basket figure has not changed for three weeks—actually, two weeks with a downward variation and one with no variation. And the DIEESE [Interunion Department of Statistics and Socioeconomic Studies] released a basic market basket study showing a variation of less than 0.8 percent. There is no doubt that short-term inflation is under control.

[O ESTADO] Going back to the full liberation of the cruzados....

[Maia] But you are assuming that the [price] flexibility—a term you do not like—will be introduced in September....

[O ESTADO] But we will no longer have a freeze by September, will we?

[Maia] I do not know. Possibly not.

[O ESTADO] Would you be thinking, then, of releasing some of those cruzados earlier, so the effect would not be so violent?

[Maia] We are not concerned about this. I repeat that people are not going to grab their cruzados, which were their reserve, and race out to spend them. They are going to put them in savings, just as they are doing with their money today; no one is going to stuff his freezer full, no one is going to go out and buy everything in sight.

[O ESTADO] But many people have no stocks today, they have not been able to accumulate stocks this year, and they may go out and buy a new freezer.

[Maia] It could happen, but it should not be at such a high level that industry cannot handle it. There is nothing to indicate that, in the situation the economy is in, there is going to be an explosion of consumption because of the release of the cruzados.

[O ESTADO] But this is going to happen over a 12-month period. Every month there will be a little more money on the market.

[Maia] But, look, the cruzados will be released to individuals who had reserves, who are accustomed to having reserves, and whose standard of consumption is high. Their needs are already well attended to. The retired people's cruzados have already been released, and that

was a huge sum. You have to think about that. From the standpoint of consumption of basic products, there may be no change at all. Or do you think the consumption of beans, rice, and meat is going to go up because of the release of the cruzados? Does anyone think this?

[O ESTADO] You state in the "Big Program" that the resumption of development must be led by private capital, domestic and foreign. But we know there is a strong faction in the Congress that is against opening up to foreign investment. In the case of the pharmaceutical patents, for example, which is one of the points of friction with the rich countries, there is already a draft bill to postpone recognition of them until the year 2000. How are we to make the changes you want, given this picture?

[Maia] It is a complicated process. The society is complex and this is a democratic regime. We submitted a proposal for opening up to foreign capital, in the regulation of the Fund, and the Congress passed an amendment that prevents companies formed with foreign capital from having access to these funds, which are private. In the case of the pharmaceutical patents, we have a clear commitment, and it is not for the year 2000. With regard to computer ware, we have fought hard and we have made some progress in this area. The government has its program, but it must go through a process of very intense debate and it goes against some interests.

[O ESTADO] Is the delay in the recognition of the patents really upsetting the negotiations to permit the transfer of foreign technology and capital?

[Maia] There are needless disputes. I do not understand what purpose was served by the Brazilian pharmaceutical industry's refusal to recognize the patents, because no one can say that our pharmaceutical industry is a model, a marvel, because of the existence of the patent law. The nonrecognition of the patents might have been a good move if it had been in the nation's interest. But what national interest was protected by the nonrecognition of the patents?

[O ESTADO] The Congress apparently does not think this way....

[Maia] I think the public today and the Congress itself are much more open to this type of debate. This old story of confusing interests—of touting private interest, sectoral interest, as the national interest—is much less acceptable to the public nowadays than it once was. At the precise moment when we send up a draft bill for recognition of the patents, we are going to see who the real beneficiaries of the nonrecognition of the pharmaceutical industry patents are. I do not think it is the sick people who are benefiting.

[O ESTADO] What is the government preparing to do to attract foreign capital?

[Maia] There is the Competitive Enterprise Commission, which is discussing the structural aspects of the

economy at medium and long range. Obviously, one of the basic issues is the treatment of foreign capital and the country's ability to attract it. Actually, we know that the primary reason for the shrinking foreign investment has nothing to do with the ill will or the good will of the government. It is not even the existing laws. The big problem in investing in Brazil today, for foreign and domestic companies alike, is instability. It is the lack of a perspective, the immense difficulty in predicting what is going to happen within a reasonable time in the future.

[O ESTADO] In addition to the instability, there is also the problem of the foreign debt.

[Maia] There I would make a point of asking: Do you know why it is difficult to renegotiate the Brazilian debt? It is because we are in the habit of going out there and, in the name of arriving at a speedy agreement, reaching an accord that is apparently a good one and which, six months later, proves to be unworkable. The last agreement, which was lauded as a good one, resulted in a drop in the value of Brazilian securities on the secondary market.

[O ESTADO] But we are already 12 months into this administration and we still have no agreement; we have had a recession, people are unemployed. Would it not have been better to arrive at a provisional agreement and then discuss the definitive one?

[Maia] When we signed the 1988 agreement, which would transfer \$35 billion in two years and which left the country in a moratorium, how much in the way of funds came into Brazil?

[O ESTADO] Nothing, but that was the Sarney government, which had no credibility. This is a new administration.

[Maia] You should tell that to the bankers. Because we have already had Ambassador Jorio Dauster there for a month; he has never left New York. We concede everything; we grant everything that can be granted. Are we going to reach an agreement and then, three months later, go back to square one? Our limit is defined by two issues: first, we are a country whose imports amount to \$20 billion a year and which has \$8.5 billion in reserves; second, Brazil's foreign debt is a state debt. It is unfortunate that it is this way, but it is a state debt. So the solution to the debt problem is one of fiscal adjustment, like it or not. There is no choice. I think it is better to arrive at a lasting solution for the foreign debt than it is to sing victory songs for three months and then cry for the next four years.

Chile

Foreign Ministry Changes Protocol Procedures

PY2604024291 Santiago LA TERCERA DE LA HORA
in Spanish 14 Apr 91 p C5

[Excerpts] The Foreign Ministry has recently implemented a series of changes in protocol procedure for

high-ranking Chilean authorities who must go to the airport to welcome or see off visiting chiefs of state, dignitaries, foreign ministers, or illustrious guests. [passage omitted]

The most important change is that the president will no longer welcome visiting chiefs of state at the airport. According to the new protocol rules, the visiting chief of state will be welcomed by the foreign minister.

The 21-gun salute has also been eliminated, and in some instances even the speeches delivered on these occasions have been dropped.

In addition, military honors for presidents, foreign ministers, prime ministers, and other visiting dignitaries will be rendered upon their arrival at the airport only until sunset. [passage omitted]

Legislators To Visit USSR, Germany, Hungary

PY2604023091 Santiago LA TERCERA DE LA HORA
in Spanish 13 Apr 91 p 13

[Text] For the first time in 18 years, a delegation of Chilean legislators leaves today for Moscow. The group will stay in Europe for 21 days. The Chilean delegation is made up of Jaime Rocha, Rene Garcia, Antonio Horvath, Jose Maria Hurtado, Octavio Jara, Jaime Orpis, Joaquin Palma, Hosain Sabaj, Edmundo Salas, and Juan Enrique Taladriz.

The legislators are traveling in response to an invitation extended by the Supreme Soviet. The trip, via Aeroflot, includes visits to Moscow, Leningrad, and Kiev.

They are also scheduled to visit Hungary and Germany. During their stay in Germany they will meet with representatives of a company that builds subways to discuss a proposal to establish new subway lines in Santiago.

Anatoliy Opolev, Aeroflot general manager in Chile, and officials from the Soviet Embassy hosted a cocktail party in their offices last night to honor the legislative delegation that will visit Moscow in the spring.

The legislators represent all the political parties represented in Congress.

Colombia

Assembly's 3d Commission Rules on Election Issues

PA2504184991 Bogota Radio Cadena Nacional
in Spanish 1200 GMT 23 Apr 91

[Text] The Constituent Assembly's Third Commission has agreed to include the following decisions in the new constitution: a second round of elections will be held if no one presidential candidate is elected by a majority in the first round, and a second presidential term is ruled out.

A second round in a presidential election would be held if none of the candidates obtained one-half plus one of all the votes cast, and no former president can be a presidential candidate.

Meanwhile, a subcommission comprised of Constituent Assembly members Diego Uribe Vargas, Francisco Rojas, Jaime Fajardo, and Jose Maria Velasco reached an agreement to include in the new constitution a ban on extraditing Colombians.

Other commissions, such as the Fifth Commission, are studying various controversial issues, among which is the private property issue and the possibility of carrying out expropriations through administrative channels. The proposal to extend the presidential term to five years did not pass, given that the Constituent Assembly members were not able to match that term with the congressional term.

M-19 Alliance Leader Reports Assassination Plan

PA2604035791 Mexico City NOTIMEX in Spanish
2130 GMT 25 Apr 91

[Text] Bogota, 25 Apr (NOTIMEX)—Antonio Navarro Wolff, leader of the 19 April Movement [M-19] Democratic Alliance, today charged that there is a plan to assassinate him. Navarro Wolff stated this on the eve of the first anniversary of the assassination of Carlos Pizarro, the movement's presidential candidate.

Navarro, current president of the Constituent Assembly, met today with Colombian President Cesar Gaviria and General Miguel Maza Marquez, chief of the Administrative Department of Security [DAS], to report his concern and to request protection.

"There are factors that indicate that my life may be in danger these days," Navarro said in reference to the anniversary of the death of Carlos Pizarro and the reemergence of political violence in the country. Pizarro, a presidential candidate, was killed a year ago aboard an Avianca airplane by a hired assassin, who in turn was killed by Pizarro's bodyguards.

After the death of its leader and its return to civilian and political life, the M-19 Democratic Alliance has seen five of its activists become victims of attacks that are being investigated by the Colombian Attorney General's Office.

"Those who killed Pizarro deprived the country of an important contribution to the search for total reconciliation among Colombians," President Gaviria stated in a message he sent to the former guerrilla group today. "My government," he added, "plans to continue to promote all the necessary institutional changes to recover and guarantee the basic rights that exist in any society."

Meanwhile, DAS, the Colombian intelligence service, announced that it will issue a communique on the results of its investigation to establish the motives and masterminds of the assassination of the former guerrilla leader.

14th Brigade Says Guerrillas Killed Journalists

PA2604042391 Bogota Radio Cadena Nacional
in Spanish 1209 GMT 25 Apr 91

[Text] Puerto Berrio, Antioquia—The Command of the 14th Brigade minutes ago accused guerrilla groups operating in the area of murdering the journalists of newspaper EL EXPECTADOR in Segovia Municipality, Antioquia Department.

It was reported that, at this time, the bodies of journalists Julio Daniel Chaparro and Jorge Enrique Torres Navas, who were killed last night in Segovia, are in the morgue of that municipality.

An official communique states that the authorities have not yet conducted an autopsy on their bodies. The authorities' report says that Julio Daniel Chaparro and Jorge Enrique Torres arrived in Segovia yesterday to write an article on the violence that is affecting Uraba and Western Antioquia Department.

Peru**Fujimori Comments on New Banking Law's Objectives**

PY2504164091 Lima RTP Television Network
in Spanish 1100 GMT 25 Apr 91

[Excerpt] The reduction of inflation and the implementation of a positive, real interest rate for savings accounts and loans will be the immediate consequence of the new banking law that President Alberto Fujimori approved last night. In addition, the autonomy of the Central Reserve Bank will be consolidated, the financial system will be strengthened, and the banking system will be made clear and operational.

The president approved this law during the graduation ceremony for masters in business administration [words indistinct].

[Begin Fujimori recording] I am aware that we still have taxes that are not technically appropriate, like the taxes on [bank] debits, which stimulates the desire to operate outside the financial system. I personally ceased to use the system two years ago. This situation affects both businessmen and housewives.

We cannot, however, suddenly eliminate this tax without affecting fiscal revenues. I am convinced, however, that the people will join this struggle against inflation, a struggle that the suffering Peruvian people at large have endured with sacrifice and patience.

I am addressing you, professional business administrators, to place before you the challenge of reducing inflation from the current level of 5 percent to 4 percent for next month.

I am sure that every businessman, housewife, and citizen will do his or her share. That is why I have ordered,

beginning tomorrow, a reduction of the tax on [bank] debits from 1 percent to 0.75 percent. [applause]

My friends, the graduates of [name indistinct], let me use this major opportunity—as I usually do—for making a major announcement to the country. As you know, my government repealed the nationalization law which was imposed on the financial system during the previous regime and which had very negative effects on the country's productive sector.

The objective of the General Law of Banking, Financial, and Insurance Institutions that we are approving is to transform the inherited chaotic and disorderly financial system into an orderly, clear, and equitable system that can harmoniously coordinate the interests of all interested parties.

This is the government policy style that pervades every action and measure that we have thus far implemented.

Here are the major objectives of the banking law: to safeguard the peoples' savings, especially by protecting the owners of small savings accounts; to strengthen the soundness of the financial system, promoting stability, recuperation, and healthy growth; to guarantee the operation of market mechanisms in order to guarantee a modern, efficient, and competitive financial market; to guarantee the validity of all forms of ownership in the financial system, in equitable conditions; and to reduce the informal financial sector.

The regulations for attaining those objectives falls within a context that preserves the autonomy of the Central Reserve Bank and that strengthens the powers of the superintendency of banks.

Here are the instruments and mechanisms that will attain the stated objectives:

To guarantee that savings maintain their real value, interest rates will be determined by the rules of supply and demand, not by discretionary rules that are alien to the market. Likewise, the capital base of banks will be updated to maintain real values. A deposit insurance fund will be created to hedge on behalf of savers against the eventual insolvency of financial institutions, to the tune of \$4,000 per individual or per liquidated institution.

To reduce the risk of insolvency, some clear norms of prudence for the operation of financial institutions have been defined and some criteria for risk classification have been established. These include leverage capacity, credit concentration, tied credit regulations, minimum equity capital, minimum reserves, and adequate remuneration for reserves.

To promote competition, which will reduce the cost of money, we are actively soliciting the participation, on an equal footing and in all forms, of both the national and the foreign banking organizations.

Although the government seeks to reduce state participation in the economy, which can be attested by the

measures recently adopted, we still want to be prudent in the financial sector, considering its incipient development. We will retain state financial institutions that will be revamped to make them more efficient and competitive with the national and foreign private banking system.

Consider the measures incorporated in the General Law for Banking, Financial, and Insurance Institutions which ensure adequate remuneration for reserves and free competition in the financial sector, and add to it the reduction of inflation to 5 percent, the lowering of tax on [bank] debits to 0.75 percent, and the complementary measures like the one in the labor sector which grants compensation for years of work, and one can see that healthy financial competition is being promoted, competition that will benefit workers and businessmen.

We are certain that these new conditions will generate important resources and financial flows. I also believe that a reduction of interest rates should ensue and I will be very pleased if the financial sector will respond by reducing rates by a few points before next Monday, just three days from now. I am expecting an answer from the bankers.

I do not think there could be any better occasion on which to promulgate this decree, which is yet another step by my government. I hope the spirit will be reciprocated. [passage omitted]

Cuban Sugar Industry Vice Minister on Cooperation

PY2504190891 Lima RTP Television Network
in Spanish 0100 GMT 25 Apr 91

[Text] At the end of a meeting at Government Palace with President Alberto Fujimori, Raul Trujillo Tejeda, first vice minister of the Cuban sugar industry, said that his government is willing to grant technical aid to the Peruvian sugar industry.

[Begin recording] [Trujillo] I have come to Peru accompanied by Cuban experts. We have visited cooperatives where we have discussed their problems and made the necessary recommendations to improve their production.

[Reporter] Have you spotted any problems?

[Trujillo] Yes, yes.

[Reporter] What sort of problems?

[Trujillo] Well, basically they are problems of an industrial nature, problems which can be solved jointly. As you well know, Cuba is a large sugar producer. Sugar is Cuba's main product; we have more than 150 sugar mills and we produce many sugar by-products; we process a large percentage of the sugarcane waste. Therefore....

[Reporter, interrupting] When will you start granting that cooperation?

[Trujillo] Now. We are....

[Reporter, interrupting] With capital, technical assistance?

[Trujillo] Principally with technical assistance. [end recording]

Uruguay

Protest To Brazil Over Meat Deal With EEC

PY2504183091 Madrid EFE in Spanish 1442 GMT
25 Apr 91

[Text] Montevideo, 25 Apr (EFE)—It was reported here today that the Uruguayan Government has protested to the Brazilian Government over its decision to purchase 100,000 tons of meat subsidized by the EEC, just after it signed the Common Market of the South [Mercosur] accord.

The Montevideo independent weekly BUSQUEDA today reports that Agriculture Ministry Alvaro Ramos revealed last week the contents of the protest note to a congressional committee.

Briefing the congressmen, Ramos said that Uruguay "must exert militant surveillance within the next four years because it is necessary keep watching what our partners are doing."

Ramos said: "In future negotiations we must be careful about determined practices of support or subsidies, either explicit or implied, on production."

Brazil, Uruguay, and other 12 countries of the five continents are members of the Cairns Group, which do not subsidize their agricultural products and are against the EEC subsidy policy. On 26 March, the Argentine, Brazilian, Paraguayan, and Uruguayan presidents signed the Treaty of Asuncion, which provides for the creation of the Mercosur, whereby the tariffs on trade among the four nations will be eliminated by 1 January 1995.